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INTERGOVERNMENTAL NEGOTIATING COMMITTEE FOR
A FRAMEWORK CONVENTION ON CLIMATE CHANGE
Fourth session
Geneva, 9-20 December 1991

REPORT OF THE INTERGOVERNMENTAL NEGOTIATING COMMITTEE FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE ON THE WORK OF ITS FOURTH SESSION, HELD AT GENEVA FROM 9 TO 20 DECEMBER 1991

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I. INTRODUCTION

1. The fourth session of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (INC) was held at Geneva from 9 to 20 December 1991. The meeting was convened in pursuance of General Assembly resolution 45/212 of 21 December 1990, entitled "Protection of global climate for present and future generations of mankind", further to resolutions 43/53 of 6 December 1988 and 44/207 of 22 December 1989.*

II. ORGANIZATIONAL MATTERS

A. Opening of the session

2. In opening the fourth session, the Chairman, Mr. Jean Ripert, welcomed delegations to Geneva and thanked the officers of the Working Groups for their outstanding inter-sessional work, which should help focus the complex negotiations ahead. He complimented the secretariat for its support of the inter-sessional work and for the timely distribution of documents for the session. He expressed the conviction that the Committee would be able to produce a single consolidated working document at the current session, keeping in mind the objective of completing the convention in time for signature at the United Nations Conference on Environment and Development to be held in June 1992 at Rio de Janeiro.

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* For the reports of the first to third sessions, see A/AC.237/6 and Corr.1, A/AC.237/9 and A/AC.237/12 and Corr.1. The Bureau of the Committee elected at the first session consists of:

Chairman:	Mr. Jean Ripert (France)
Vice-Chairmen:	Mr. Chandrashekhar Dasgupta (India) Mr. Ahmed Djoghlaf (Algeria) Mr. Ion Draghici (Romania) Mr. Raul Estrada-Oyuela (Argentina)
Rapporteur:	Mr. Ion Draghici (Romania)

The Bureaux of Working Groups I and II elected at the second session consist of:

Working Group I

Co-Chairmen:	Mr. Nobutoshi Akao (Japan) Mr. Edmundo de Alba-Alcaraz (Mexico)
Vice-Chairman:	Mr. Mohamed Mahmoud Ould El Ghaouth (Mauritania)

Working Group II

Co-Chairmen:	Ms. Elizabeth Dowdeswell (Canada) Mr. Robert F. Van Lierop (Vanuatu)
Vice-Chairman:	Mr. Maciej Sadowski (Poland)

B. Attendance

3. The meeting was attended by representatives of the following States:

Afghanistan
Algeria
Angola
Argentina
Australia
Austria
Bangladesh
Belgium
Belize
Benin
Bhutan
Bolivia
Botswana
Brazil
Burkina Faso
Burundi
Cameroon
Canada
Central African Republic
Chad
Chile
China
Colombia
Congo
Cook Islands
Costa Rica
Cote d'Ivoire
Cuba
Czechoslovakia
Democratic People's Republic of Korea
Denmark
Dominican Republic
Ecuador
Egypt
Equatorial Guinea
Ethiopia
Fiji
Finland
France
Gambia
Germany
Ghana
Greece
Grenada
Guatemala
Guinea
Guinea-Bissau
Guyana
Holy See
Honduras
Hungary
India
Indonesia
Iran (Islamic Republic of)
Ireland
Italy
Jamaica
Japan
Jordan
Kenya
Kiribati
Kuwait
Lao People's Democratic Republic
Lesotho
Libyan Arab Jamahiriya
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Marshall Islands
Mauritania
Mexico
Micronesia (Federated States of)
Mongolia
Morocco
Mozambique
Myanmar
Namibia
Nauru
Nepal
Netherlands
New Zealand
Nicaragua
Niger
Nigeria
Norway
Pakistan
Papua New Guinea
Peru
Philippines
Poland
Portugal
Republic of Korea
Romania
Rwanda
Saint Lucia
Samoa
Sao Tome and Principe
Saudi Arabia
Senegal
Sierra Leone
Singapore
Solomon Islands
Spain
Sri Lanka
Sudan
Sweden
Swaziland
Switzerland
Syria Arab Republic
Thailand
Togo
Tonga
Trinidad and Tobago
Tunisia
Turkey
Tuvalu
Uganda
Ukraine
Union of Soviet Socialist Republics
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Vanuatu
Venezuela
Viet Nam
Yugoslavia
Zimbabwe

4. The following United Nations offices and programmes were represented at the meeting: Office of the Director-General for Development and International Economic Cooperation; United Nations Conference on Environment and Development; United Nations Institute for Training and Research; United Nations Conference on Trade and Development; and United Nations Environment Programme.

5. The following specialized agencies and other organizations of the United Nations system were represented at the meeting: Food and Agriculture Organization of the United Nations; World Bank; World Meteorological Organization; United Nations Industrial Development Organization; Global Environment Facility (UNDP/UNEP/World Bank); and Intergovernmental Panel on Climate Change (WMO/UNEP) (IPCC); as well as International Atomic Energy Agency; and General Agreement on Tariffs and Trade.

6. The following intergovernmental organizations were also represented at the meeting: Asian-African Legal Consultative Committee; Asian Development Bank; Caribbean Meteorological Organization; European Economic Community; European Free Trade Association; Inter-American Development Bank; International Energy Agency; Organization of African Unity; Organization of Petroleum Exporting Countries; Regional Organization for the Protection of the Marine Environment; and South Pacific Regional Environment Programme.

7. The following non-governmental organizations in consultative status with the Economic and Social Council were represented:

Category I:	International Chamber of Commerce; International Council of Women; International Youth and Student Movement for the United Nations; World Federation of United Nations Associations.
Category II:	Greenpeace International; International Council of Environmental Law; International Petroleum Industry Environmental Conservation Association; World Coal Institute; World Conservation Union (IUCN); World Council of Churches; and World Resources Institute.
Roster:	Friends of the Earth International; International Organization of Motor Vehicle Manufacturers; International Peace Research Association; International Studies Association; National Audubon Society; and Natural Resources Defense Council.

8. The following other non-governmental organizations were also represented: Alliance for Responsible CFC Policy; Alliance to Save Energy; Alternative Fluorocarbon Environmental Acceptability Study; Ancient Forest International; Bangladesh Centre for Advanced Studies; Centre for Clean Air Policy; Centre for Global Change; Centre for Our Common Future; Climate Action Network; Climate Council; Development Alternatives; Edison Electric Institute; Environmental and Energy Study Institute; Environmental Defense Fund; Environmental Development Action in the Third World; Federation of Electric Power Companies, Japan; Foundation for Environmental Conservation; Global Climate Coalition; Global Commons Institute; Global Warming Coalition; Haribon Foundation; International Institute for Applied Systems Analysis; Kenya Consumers' Organization Climate Network Africa; Kenya Energy and Environment Organizations; National Coal Association; Stockholm Environment Institute; Tata Energy Research Institute; Union of Concerned Scientists; Walhi: Indonesian Forum for Environment; Woods Hole Research Center; and World Wide Fund for Nature.

C. Adoption of the agenda

9. At its 1st plenary meeting, on 9 December 1991, the Committee adopted the following agenda (A/AC.237/13):

1. Organizational matters:
   (a) Adoption of the agenda;
   (b) Organization of work;
   (c) Future work:
      (i) Calendar;
      (ii) Arrangements for approval of the framework convention;
   (d) Provisional agenda for the fifth session.

2. Negotiation of a framework convention on climate change:
   (a) Elements related to commitments: draft text to be prepared by Working Group I;
   (b) Elements related to mechanisms: draft text to be prepared by Working Group II;
   (c) Consideration, integration and completion by the plenary of the draft texts submitted by the Working Groups.

3. Review of extrabudgetary funds:
   (a) Special voluntary fund to support the participation of developing countries;
   (b) Trust fund for the negotiating process.

4. Adoption of the report.

D. Documentation

10. The documents before the Committee at its fourth session are listed in annex I to the present report.

E. Organization of work

11. The Committee approved the organization of work contained in document A/AC.237/13.

F. Future work

12. The Committee considered the calendar of its future work at its 3rd and 4th plenary meetings, on 19 and 20 December. The Committee noted that its earlier recommendation that its fifth session be held in New York from 18 to 28 February 1992 had been adopted by the General Assembly at its forty-sixth session (resolution 46/169). It further noted the accompanying decision of the Assembly on the possibility of holding a short resumed fifth session in New York in April 1992, unless the Committee decided otherwise at its fifth session. The secretariat provided information concerning possible dates for the resumed fifth session.

13. Following an exchange of views, the Chairman undertook to make a proposal on this question in due course, in consultation with the Bureau, and to convey to the United Nations Secretariat the Committee's hope that additional interpretation facilities would be made available as required for the fifth and resumed sessions.

14. Owing to lack of time, the Committee was not able to take up the sub-item of its agenda relating to arrangements for the approval of the framework convention and will do so at its fifth session.

G. Provisional agenda for the fifth session

15. At its 3rd plenary meeting, on 19 December, the Committee took note of the following provisional agenda for the fifth session (A/AC.237/L.10):

1. Organizational matters:
   (a) Adoption of the agenda;
   (b) Organization of work;
   (c) Future work:
      (i) Calendar;
      (ii) Arrangements for adoption of the framework convention;
   (d) Provisional agenda for the resumed fifth session.

2. Consideration of scientific advice from IPCC.

3. Negotiation of a framework convention on climate change: consideration and completion of an integrated text.
   [The organization and possible subdivision of work under this item will be the subject of a subsequent proposal by the Chairman, after consultation.]

4. Review of extrabudgetary funds:
   (a) Special voluntary fund to support the participation of developing countries;
   (b) Trust fund for the negotiating process.

5. Adoption of the report.

III. PREPARATION OF A FRAMEWORK CONVENTION ON CLIMATE CHANGE

A. Report on Working Group I: Commitments

16. At its 1st plenary meeting, on 9 December 1991, the Intergovernmental Negotiating Committee, in accordance with its decision 1/1, allocated item 2(a) of its agenda, entitled "Negotiation of a framework convention on climate change: Elements related to commitments: draft text to be prepared by Working Group I", to Working Group I.

17. At its 1st meeting, on 9 December, Working Group I, bearing in mind rule 46 of the rules of procedure of the Committee, maintained the decision taken at its second session (A/AC.237/9, para. 25) that its meetings would be open unless it decided otherwise. Subsequently, Working Group I held 10 formal meetings and 5 informal meetings between 9 and 18 December 1991.

18. Also at its 1st meeting, Working Group I approved its programme of work for 9 to 18 December (A/AC.237/WG.I/L.6, as orally amended).

19. In accordance with the mandate given to the Bureau of Working Group I at the third session of the Intergovernmental Negotiating Committee, the Bureau put before the Working Group, for its consideration, a text entitled "Elements related to the Preamble, Principles and Commitments" (A/AC.237/Misc.12), prepared on the basis of the revised conference room papers contained in document A/AC.237/WG.I/WP.1.

1. Preamble

20. Working Group I considered this topic at its 4th and 5th meetings, on 11 December, as well as at informal meetings on 16 and 17 December. At the formal meetings, statements were made by the representatives of 37 States.

2. Principles

21. Working Group I considered matters under this item from its 2nd to 4th meetings, on 10 and 11 December, as well as at informal meetings on 14 December. Statements were made at the formal meetings by representatives of 42 States, including one speaking on behalf of the European Economic Community and its member States and one on behalf of five Central American and Caribbean States members of the Working Group. A statement on behalf of the Group of 77 was also made at the 8th meeting, on 13 December, subsequently formulated as A/AC.237/WG.I/L.8.

3. Objective of the convention

22. The Working Group discussed this item at its 5th meeting, on 11 December, and at an informal meeting on 17 December. Formal statements were made by the representatives of 23 States, including one speaking on behalf of the European Economic Community and its member States.

4. Commitments

(a) Commitments on sources and sinks

23. The Working Group discussed this item under the headings "Common commitments", "Other commitments" and "Specific commitments", at its 5th to 7th meetings, 7th meeting, and 8th and 9th meetings, respectively, on 11 to 13 December. Statements on "Common commitments" were made by 41 States, including one speaking on behalf of European Economic Community and its member States, on "Other commitments" by 13 States and on "Specific commitments" by 39 States, including one speaking on behalf of the European Economic Community and its member States. The item was also discussed informally on 17 December.

(b) Commitments on financial resources and technology transfer

24. Working Group I considered this item under the headings "Provision of financial resources" and "Transfer of technology" at its 9th meeting, on 13 December. Statements were made by the representatives of 26 States, including one speaking on behalf of the European Economic Community and its member States and one on behalf of five Central American and Caribbean States members of the Working Group. The Working Group also discussed this item informally on 17 December.

(c) Commitments related to paragraph 6(c) of decision 1/1

25. Working Group I considered this item at its 10th meeting, on 16 December, and informally on 18 December. Formal statements were made by the representatives of 30 States.

* * * * *

26. The Working Group transmitted to the plenary, for integration into the consolidated working document, texts on the above subjects prepared by the Co-Chairmen and the Vice-Chairman (see paras. 48 to 58 below).

27. The following proposals relating to commitments were circulated formally: A/AC.237/WG.I/L.7 and Corr.1 and 2, by Algeria and other States; A/AC.237/WG.I/L.9 and Corr.1, by Vanuatu on behalf of the States members of the Alliance of Small Island States participating in the fourth session of the Committee; and A/AC.237/WG.I/L.10 and Corr.1, by Afghanistan and other States.

B. Report on Working Group II: Mechanisms

28. At its 1st plenary meeting, on 9 December, the Intergovernmental Negotiating Committee, in accordance with its decision 1/1, allocated item 2(b) of its agenda, entitled "Negotiation of a framework convention on climate change: Elements related to mechanisms", to Working Group II.

29. At its 1st meeting, on 9 December, Working Group II, bearing in mind rule 46 of the rules of procedure of the Committee, maintained the decision taken at its previous sessions (A/AC.237/12, para. 33) that its meetings would be open unless it decided otherwise. The Working Group considered a draft programme of work proposed informally by its Bureau (A/AC.237/WG.II/L.5), which it approved at its 3rd meeting, on 10 December. Working Group II held 14 formal meetings from 9 to 18 December 1991 and one informal meeting on 14 December.

30. Also at its 1st meeting, pursuant to the request made by Working Group II and approved by the Committee at its third session (A/AC.237/12, para. 70), the Working Group had before it a revised single text on elements relating to mechanisms (A/AC.237/Misc.13) prepared by its Co-Chairmen. After introductory statements by the Co-Chairmen, Working Group II agreed that the revised single text should serve as the basis for discussion by the Working Group.

31. Working Group II considered the sections of the single text (A/AC.237/Misc.13), article by article, and the proposed texts submitted to it at its 1st to 14th meetings, from 9 to 18 December 1991, as follows.

1. Legal and institutional mechanisms related to scientific cooperation, monitoring and information (decision 1/1, annex, para. 7(b))

32. Working Group II considered articles 1 (Scientific, technological and technical cooperation), 2 (Research and development and systematic observation and Annex 1), 3 (Exchange of information and Annex II) and 4 (Education, training and public awareness) at its 12th and 13th meetings, on 17 and 18 December.

33. Statements and proposals on these articles and annexes related thereto were made by representatives of 24 States, including one speaking on behalf of the European Economic Community and its member States.

34. At its 14th meeting, on 18 December, the Working Group reviewed revised texts prepared by the Co-Chairmen, incorporating proposals made during the course of the discussion of the aforementioned articles, and transmitted them, as orally amended, to the plenary for integration into a consolidated working document.

2. Legal and institutional mechanisms, including, inter alia, entry into force, withdrawal, compliance and assessment and review (decision 1/1, annex, para 7(a))

35. Working Group II considered articles 5 (Conference of the Parties), 6 (Secretariat), 7 (Advisory Committee on Science), 8 (Advisory Committee on Implementation, 9 (Reporting and Annex III), 10 (Alternative A) (Resolution of questions regarding interpretation and implementation of the Convention), (Alternative B) (Settlement of disputes), 11 (Amendments to the Convention), 12 (Protocols), 13 (Adoption and amendment of Annexes to the Convention), 14 (Right to vote), 15 (Depositary), 16 (Signature), 17 (Ratification, acceptance, approval and accession), 18 (Entry into force), 19 (Reservations and declarations), 20 (Withdrawal) and 21 (Authentic texts) at its 1st to 9th meetings, from 9 to 13 December 1991.

36. Statements and proposals on these articles and annexes related thereto were made by representatives of 51 States, including one speaking on behalf of the European Economic Community and its member States and one on behalf of States participating in the Committee that are members of the Alliance of Small Island States.

37. The representative of an intergovernmental organization also made a statement.[1/]

38. At its 13th and 14th meetings, on 18 December, the Working Group reviewed revised texts prepared by the Co-Chairmen, incorporating proposals made during the course of the discussion of the aforementioned articles and annexes thereto, and transmitted them, as orally amended, to the plenary for integration into a consolidated working document.

3. Legal and institutional mechanisms related to adequate and additional financial resources and technological needs and cooperation, and technology transfer to developing countries corresponding to the commitments agreed to in Working Group I (decision 1/1, annex, para. 7(c)

39. Working Group II considered articles 22 (Administrative mechanism for financial resources and technology transfer) and 23 (Insurance) at its 10th and 11th meetings, on 16 and 17 December.

40. Statements and proposals on these articles were made by representatives of 34 States, including one speaking on behalf of the European Economic Community and its member States and one on behalf of the States participating in the Committee that are members of the Alliance of Small Island States.

41. At its 14th meeting, on 18 December, the Working Group reviewed revised texts prepared by the Co-Chairmen, incorporating proposals made during the course of the discussion of the aforementioned articles and proposed article, and transmitted them, as orally amended, to the plenary for integration into a consolidated working document.

Definitions

42. At its 13th meeting, on 18 December, Working Group II reviewed an informal note by the secretariat (A/AC.237/Misc.14/Rev.1) on the question of definitions. Proposals were made by several delegations for the addition and deletion of terms to be defined.

C. Consideration, integration and completion by the plenary of the draft texts submitted by the Working Groups

43. At its second plenary meeting, on 16 December, the Committee heard procedural progress reports from the Co-Chairmen of Working Groups I and II.

44. The plenary had before it an informal note prepared by the secretariat on the preparation of an integrated working document (A/AC.237/Misc.15), which included a possible provisional structure of the framework convention in the form of a list of headings derived from documents A/AC.237/Misc.12 and 13. The Executive Secretary indicated that the content and order of the list would be modified as a result of further work by the two Working Groups. There was broad agreement among delegations that the informal note was useful as an indicative device for guiding the Committee's work toward an integrated working document. There was an exchange of views regarding further consolidation of headings so as to arrive at a document having a balanced structure.

45. Document A/AC.237/Misc.14/Rev.1 on definitions was also before the plenary. At the suggestion of the Chairman it was agreed that the two Working Groups should propose which terms needed definition in the framework convention. The Committee could then decide how best to proceed further.

46. The meeting concluded with an exchange among a number of delegations on the scope of the framework convention. Statements were made by representatives of 19 States, including statements on behalf of the African countries, the European Economic Community and its member States, and States members of the Group of 77.

47. At its 3rd plenary meeting, on 19 December, the respective Co-Chairmen of Working Groups I and II presented oral reports to the Committee on the work accomplished during the present session and thanked delegations and the secretariat for the support they had received. Both sets of Co-Chairs gave their own impressions of convergences and di ergences in views expressed on the matters under consideration. The main points of these impressions are summarized below.

1. Oral reports on Working Group I

48. At the beginning of its deliberations, the Working Group decided to use the text submitted by the Bureau and contained in document A/AC.237/Misc.12 as a basis for its work. A first reading was given to the various chapters i.e. the preamble, principles, objective, general commitments, specific commitments and paragraph 6(c) of decision 1/1 relating to countries in special situations.

49. The Working Group made definite progress towards the elaboration of an agreed text of the preamble in the second reading. Progress was made in the streamlining of phrasing, agreement on the substance of paragraphs, and rationalization of the texts to avoid duplication with other sections of the Convention. Square brackets and difficulties still remained in some paragraphs.

50. In the case of the principles and objective of the Convention, an informal informal meeting of the Working Group, convened on Saturday 14 December under the chairmanship of the Vice-Chairman, undertook a second reading of the draft and produced a streamlined text. There was general agreement on the concept of sustainable development, the need for an integration of environmental protection and economic development, the need to protect the climate for present and future generations of mankind and the discharge of obligations on the basis of a common but differentiated responsibility, the precautionary principle and the specific needs of developing

countries. Some countries continued to express doubts about the need to incorporate principles into the text of the Convention. They reserved their position until the achievement of agreement on commitments, from which clear principles might emerge. Others continued to attach importance to the principles, saying that they were very important in guiding negotiations on commitments.

51. The text of the objective of the Convention had been shortened, but a few brackets remained and it was hoped that those would be cleared at the next session.

52. The discussion on commitments led to a greater level of agreement on matters relating to inventories, adaptation, research and information, as well as education and public awareness. Proposals on the publication and/or updating of programmes and strategies, as well as policies on emissions, and sinks and reservoirs, were subject to intense debate. At its next session, the Committee would have to examine further the question of the inclusion of annexes to incorporate the more detailed aspects of the commitments.

53. Some delegations called attention to the need to provide for differentiation in the implementation of commitments. It should be noted that the section originally entitled "Common Commitments" went through two rounds of discussion, whilst the section on specific commitments on sources and sinks, financial resources and transfer of technology went through only one. This might explain why that section of the consolidated text contained fewer brackets and alternatives. Nevertheless, divergence of views existed in particular as far as quantitative targets for stabilization and reduction of emissions were concerned. Other areas of disagreement included the choice of gases to be controlled, the nature of the measures to be undertaken, the criteria to be used for the control of emissions and whether the implementation of the commitments would be individual or collective.

54. The debate on financial resources and transfer of technology failed to narrow down the major differences existing among the various delegations on the creation of an international climate fund and its governance and on the criteria to be applied for technology transfer or cooperation.

55. In addition, the section on special situations did not solve the question of the categorization of countries with regard to their special situations, needs and circumstances. In this case too, lack of time prevented the Working Group from giving a second reading to the revised text.

56. The Working Group decided nevertheless that even in cases where only one reading was possible, the revised texts should be forwarded to plenary, as they were, with the hope that there would be enough time to have the documents translated into all languages so that delegates could take copies home to their capitals and confer with their governments.

57. One positive outcome of the session was that delegations were keener to meet in informal groups to sort out their differences and come up with compromise texts. This led to a number of joint proposals being submitted on principles and on commitments.

58. The texts as they now stood were the product of a detailed fine scrutiny of the most fundamental questions which still required a process of intense negotiation. They provided a firm basis for future work, but contained a significant number of aspects which called for greater study before agreement could be reached. Fundamental questions such as structure of and compliance with commitments, differentiation of their application and the close relationship between commitments and economic and social development, as well as the relationship among commitments which until the present time had appeared in various sections, had to be resolved. Various delegations reiterated the need for an integration of the sections. Of no less importance was the close coordination of the commitments addressed by Working Group I and the mechanisms which were being dealt with by Working Group II.

2. Oral reports on Working Group II

59. The Co-Chairs of Working Group II expressed the belief that despite the number of brackets in the document, credible progress had been made, but that each step forward exposed with ever greater clarity just how far there was still to go.

60. The entire Revised Single Text on Elements Relating to Mechanisms (A/AC.237/Misc.13) received a complete reading; delegations had had the opportunity both to consider the proposals of the Co-Chairs and to provide wording of their own where their vision of the requirements of the Convention differed from those proposals. Working Group II had produced a highly bracketed but fully representative text covering all Articles and Annexes under the Working Group's mandate. That accomplishment was an important and necessary step towards a unified negotiating text.

61. In the process of developing that text, delegations had engaged in a reasoned exchange of national views and, through those deliberations, refined those areas where fundamental differences remained and which would consequently require additional preparations for substantive negotiations. On certain issues, the text clearly established alternatives that delegations would have to consider. Those options included core issues such as whether subsidiary bodies, other than a secretariat, should be established in the Convention or left to the Conference of the Parties, whether the financial mechanism should be a newly-established and independent body or associated with an existing institution, and whether an Executive Committee was required. The establishment of clear alternatives in the text should help delegations develop their negotiating positions for the next session.

62. In addition, the Working Group had heard informal briefings on issues of particular relevance.

63. While the development of a bracketed text was an important step forward, the work that remained to be done should not be underestimated. Specifically:

(a) While the draft text contained the proposals of all delegations, it was not yet an authentic negotiating text. The document remained long and cumbersome and was not yet internally coherent or consistent. It would require considerable further refinement before it could be considered a true and realistic negotiating text;

(b) In several important areas, Working Group II had proceeded as far as it could without more definitive direction from Working Group I; the linkages between the progress achieved in both Working Groups would be increasingly critical;

(c) Two types of differences remained: those on wording and phraseology, and those where substantive and profound differences remained on fundamental issues related to mechanisms in the Convention. Delegations would have to engage in considerable preparatory work in capitals prior to the fifth session on elements in virtually every section of the Convention. In particular, important differences on the financial mechanism, the relationship of that mechanism to technology issues, the role of annexes, the settlement of questions related to implementation, and institutional structure needed to be addressed. That bridging process could only begin in earnest at the fifth session.

3. Conclusion

64. At its 3rd plenary meeting, on 19 December, a consolidated working document (A/AC.237/Misc.17 and Add.1-9), was submitted to the Committee. It had been prepared by the secretariat under the guidance of the Chairman of the Committee and the Co-Chairmen of the Working Groups, in the light of the Committee's earlier discussion. The document assembled texts that were indicative of the state of play in the two Working Groups, organized under a provisional list of headings. The Committee noted that the document was intended to facilitate further work on the framework convention but did not preclude the introduction of new elements. The Committee also noted that an edited version of the document would be published subsequently as an annex to the report of the Committee on the work of its fourth session (see Annex II below).

65. Statements evaluating the progress of work in the Committee, commenting on the texts in the consolidated working document and making proposals for future work on the convention were made by representatives of 15 States, including one on behalf of the African countries. A statement was made on behalf of a number of non-governmental organizations.

66. Upon the proposal of the Chairman, the Committee agreed that the consolidated working document should be carefully reviewed in order to draw attention to possible improvements in consistency and harmonization of language, to duplication which could be eliminated, and to other technical ways of enhancing its integration. It was understood that this review would not attempt to reformulate positions in the document. The Committee noted the intention of the Chairman, in consultation with the Bureau and the Officers of the Working Groups, to submit a report to its fifth session with recommendations on those matters. It further noted that the Chairman would request the Executive Secretary to undertake a technical review as a basis for his report and that the Executive Secretary would seek advice from other parts of the United Nations Secretariat, including the Office of Legal Affairs.

IV. REVIEW OF EXTRADBUDGETARY FUNDS

67. At the 2nd plenary meeting, on 16 December, the Executive Secretary introduced document A/AC.237/14, entitled "Review of extrabudgetary funds".

A. Special voluntary fund to support the participation of developing countries

68. The Executive Secretary thanked contributors who had responded to the appeal for additional funding made during the Nairobi session. He also thanked UNCTAD and UNDP for their continuing support in mobilizing the participation of developing countries. He noted the improved result achieved at the current session, with 102 developing countries participating. Of these, 92 countries had sent at least one representative from outside Geneva and it was estimated that about 80 countries would be supported by the special voluntary fund.

69. He underlined, however, that there were no funds available to finance participation in the fifth and resumed fifth sessions. The secretariat was therefore not able to commence offers of assistance. In order to maintain the current offer of support to one delegate from each of some 100 developing countries for the February and April sessions, some $US 950,000 would be needed, that is, $US 500,000 more than the amounts already pledged. If funding did not reach that level in time, it would be necessary to cut back, probably by restricting recipients to the least developed countries.

70. One delegation informed the Committee of its increased pledge for 1992, another indicated that approximately half of its pledge would soon be paid, while a third gave a preliminary indication of a supplementary contribution similar to that which it made originally in 1991.

B. Trust fund for the negotiating process

71. The Executive Secretary noted that the trust fund had not been used in 1991. He expressed gratitude for a grant to finance an associate expert from a developing country. He estimated that the additional amount sought from the trust fund in 1992, over and above appropriations from the regular budget of the United Nations, was $US 250,000. One delegation stated that it might be able to make a contribution to the fund before the end of 1991.

• • • •

72. The Executive Secretary and the representative of the European Economic Community noted with regret that the contributions of the Commission of the European Communities to both funds had been blocked by an incompatibility between the financial regulations of the Commission and those of the United Nations, and they hoped that a solution could be found for 1992.

73. The Chairman concluded by thanking the Executive Secretary for his efforts to mobilize funds and to put them to good use, and urged all countries in a position to contribute to either or both funds to do so.

V. ADOPTION OF THE REPORT

74. At the 4th plenary meeting, on 20 December, the Vice-Chairman, Mr. Ion Draghici, in his capacity as Rapporteur, introduced the draft report (A/AC.237/L.11).

75. The Chairman conducted a reading of the draft report, section by section, during which oral amendments were introduced.

76. The Committee adopted the draft report as amended, authorizing the Rapporteur to reflect therein the proceedings of the 3rd and 4th plenary meetings and to make any necessary editorial changes.

VI. CLOSURE OF THE SESSION

77. At the end of the 4th plenary meeting, on 20 December, the Chairman declared the fourth session of the Committee closed.

NOTE

1/ The representative of the European Economic Community stated her preference for the use of the terminology "regional economic integration organization" and, while reserving her right to pursue this matter in the appropriate forum, stated that the use of different terminology in this report should not constitute a precedent. In response to questions by delegations, the Executive Secretary explained that the terminology used in the report was based on the current practice of the General Assembly, as confirmed by advice from the Legal Counsel of the United Nations.

ANNEX I

List of documents before the Committee at its fourth session

Documents for the session

A/AC.237/12 and Corr.1	Report of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change on the work of its third session, held at Nairobi, from 9 to 20 September 1991
A/AC.237/13	Revised provisional agenda and annotations, including suggestions for the organization of work
A/AC.237/14	Review of extrabudgetary funds
A/AC.237/L.10	Draft provisional agenda for the fifth session
A/AC.237/L.11	Draft report of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change on the work of its fourth session, held at Geneva from 9 to 20 December 1991
A/AC.237/Misc.1 Addenda 1-15 (English only)	Set of informal papers provided by delegations, including "non-papers", related to the preparation of a framework convention on climate change
A/AC.237/Misc.12	Elements related to the preamble, principles and commitments: submitted by the Bureau of Working Group I
A/AC.237/Misc.13	Revised Single Text on elements relating to mechanisms: submitted by the Co-Chairmen of Working Group II
A/AC.237/Misc.14/Rev.1	Definitions: Note by the secretariat
A/AC.237/Misc.15	Consideration, integration and completion by the Plenary of the draft texts submitted by the Working Groups: preparation of an integrated negotiating text
A/AC.237/Misc.16	Provisional list of participants
A/AC.237/Misc.16/Rev.1	Revised provisional list of participants
A/AC.237/Misc.17 and Add.1-9	Consolidated working document
INC/FCCC/INF.7	Information note

INC/FCCC/None No. 29 (English only)	Preliminary Hungarian position on the framework convention on climate change: the basic principles
A/AC.237/WG.I/L.6	Draft programme of work, 9-18 December 1991
A/AC.237/WG.I/L.7 and Corr.1 and 2	Algeria et al.: proposal on the entire section on commitments
A/AC.237/WG.I/L.8	Joint statement of the Group of 77, made by its Chairman (Chana) at the fourth session of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change
A/AC.237/WG.I/L.9 and Corr.1	Statement on commitments submitted by the delegation of Vanuatu on behalf of the States members of the Alliance of Small Island States participating in the fourth session of the Committee
A/AC.237/WG.I/L.10 and Corr.1	Afghanistan et al.: proposed amendments to the text of A/AC.237/WG.I/L.7
A/AC.237/WG.II/L.5	Organization of work

Other documents available at the session

A/AC.237/5	Rules of procedure
A/AC.237/6 and Corr.1	Report of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change on the work of its first session, held at Washington, D.C., from 4 to 14 February 1991
A/AC.237/9	Report of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change on the work of its second session, held at Geneva from 19 to 28 June 1991

* * * * *

A/46/48 (Parts I and II)	Report of the Preparatory Committee of United Nations Conference on Environment and Development at its second and third sessions

Available for reference purposes

General Assembly resolutions

45/212	Protection of global climate for present and future generations of mankind (21 December 1990)
45/211	United Nations Conference on Environment and Development (21 December 1990)
44/228	United Nations Conference on Environment and Development (22 December 1989)
44/207	Protection of global climate for present and future generations of mankind (22 December 1989)

* * * * *

A/45/696/Add.1	Progress achieved in the implementation of resolution 44/207 on protection of global climate for present and future generations of mankind: report by the Secretary-General (Final statement of the Scientific/Technical session of the Second World Climate Conference and Ministerial Declaration of the Conference)

Regional intergovernmental meetings

A/CONF.151/PC/10	Action for a common future: report of the Economic Commission for Europe on the Bergen Conference (8-16 May 1990)
A/CONF.151/PC/38	Report of the Economic and Social Commission for Asia and the Pacific on the Ministerial-level Conference on Environment and Development in Asia and the Pacific (Bangkok, 15-16 October 1990)
A/CONF.151/PC/L.30	Tlatelolco Platform on Environment and Development, adopted by Ministers of the Latin American and Caribbean countries at the end of the Regional Preparatory Meeting of United Nations Conference on Environment and Development (Mexico City, 7 March 1991)
A/CONF.151/PC/85	Beijing Ministerial Declaration on Environment and Development, adopted at the Ministerial Conference of Developing Countries on Environment and Development on 19 June 1991.
INC/FCCC/None No. 31 (English and French only)	Documents from the Second Regional African Ministerial Preparatory Conference on Environment and Development, held at Abidjan from 11 to 14 November 1991

ANNEX II

CONSOLIDATED WORKING DOCUMENT

Note by the secretariat

1. This consolidated working document has been prepared by the secretariat under the guidance of the Chairman of the Committee and the Co-Chairmen of the Working Groups. It assembles, under a provisional list of headings, texts that are, in their view, indicative of the state of play in the two Working Groups at the end of their work at the fourth session. The document is intended to facilitate further work on the framework convention; it does not preclude the introduction of new elements.

2. The differing status of some of the texts emanating from Working Group I was described by the Co-Chairs in their report to plenary (see. paras. 48-58 of the report of the fourth session). Formal proposals by delegations on the subject of commitments, which were submitted late in the session and thus were not considered in Working Group I, are not included in this document (see A/AC.237/WG.I/L.7 and Corr 1 and 2, L.9 and Corr. 1 and L. 10 and Corr. 1.

3. The document was originally issued as A/AC.237/Misc.17 and Add. 1-9. The present Annex is an edited version thereof. In addition to presentational, grammatical and typographic editing, the following changes may be noted:

(a) The number and placement of brackets has been reviewed and some adjustments made.

(b) The preamble has been numbered to facilitate easy reference. These numbers will be deleted in due course. The paragraph numbering in Section IV.2 has been brought into line with the rest of the document.

(c) Sub-headings, intended to facilitate the identification of texts, have been retained in Sections V - VIII and in the Annexes and inserted in Section IV.2. It will have to be decided whether any such sub-headings should be kept in the final text.

(d) The text of Section IV includes a few substantive modifications requested by some delegations at or after the closing plenary meeting of the fourth session. These changes have been identified by footnotes.

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PREAMBLE

The Parties to this Convention,

1. Acknowledging that [adverse] change in the Earth's climate is a common concern of humankind since a sustainable climate is an essential condition that helps to sustain life,

2. Concerned that [net] emissions resulting from human activities are substantially increasing the atmospheric concentrations of greenhouse gases, and that these increases will enhance the greenhouse effect, resulting on average in an additional warming of the Earth's surface and atmosphere and may adversely affect natural ecosystems and humankind, whilst noting that there are many uncertainties in predictions particularly with regard to the timing, magnitude and regional patterns of climate change,

3. Aware that the adverse effects of such [potential] climate change [and measures to mitigate it] could have [serious] social, economic and environmental consequences,

4. Acknowledging that the global nature of such climate change calls for the widest possible cooperation by all countries and their participation in an effective and appropriate international response in accordance with [their respective responsibilities and capabilities]/[the means at their disposal and their capabilities] and their social and economic conditions,

5. Recalling the pertinent provisions of the Declaration of the United Nations Conference on the Human Environment (Stockholm, 1972) and in particular principle 21 [which provides that "States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction" [and accordingly that environmental considerations should not be used as a pretext for interference in the internal affairs of developing countries],]

6. Recalling also the provisions of General Assembly resolution 44/228 of 22 December 1989 on the United Nations Conference on Environment and Development, and resolutions 43/53 of 6 December 1988, 44/207 of 22 December 1989 and 45/212 of 21 December 1990 on Protection of global climate for present and future generations of mankind,

7. Recalling further the provisions of General Assembly resolution 44/206 of 22 December 1989 on the possible adverse effects of sea level rise on islands and coastal areas, particularly low lying coastal areas and the pertinent provisions of General Assembly resolution 44/172 of 19 December 1989 on the Implementation of the Plan of Action to Combat Desertification,

8. Noting the Ministerial Declaration of the Second World Climate Conference adopted on 7 November 1990,

9. [Noting the significant contribution made towards combating activities that result in adverse effects on the Earth's climate by the Vienna Convention for the Protection of the Ozone Layer, adopted on 22nd March 1985, and the Montreal Protocol on Substances that Deplete the Ozone Layer, adopted on 16th September 1987 and adjusted and amended on 29th June 1990,]

10. Recognizing the need to strengthen international cooperation in addressing adverse effects of climate change [through the development within a global framework of appropriate policies [including the provision to developing countries of adequate, new and additional financial resources [based on assessed contributions by developed countries] and technology transfer on [preferential, concessional and non-commercial]/[fair and most favourable] terms], [the preparation of protocols on specific problems]/[the consideration of additional related instruments as may be agreed] and by means of increased research into atmospheric, terrestrial and marine ecology sciences as well as into the social and economic impacts of climate change and related response strategies, systematic observations, cooperation on scientific, technical, economic and legal matters and exchange of information],

11. Conscious of the valuable work being conducted by many States on global climate change and of the important contributions of the World Meteorological Organization, organs, organizations and bodies of the United Nations system as well as other international and intergovernmental bodies for the exchange of results of scientific research and coordination of research,

12. Recognizing the need for [all] countries [with excessively high per capita rates of anthropogenic carbon dioxide emissions] to take immediate action in a flexible manner on the basis of [short, medium and long term]/[clear priorities, as a first step towards] comprehensive response strategies at the global, national and [, where agreed, regional] levels which take into account all greenhouse gases, with due consideration of their relative contributions to the

enhancement of the greenhouse effect and recognizing also that strategies required to understand and address climate change will be environmentally, socially and economically most effective if they are based on relevant scientific, technical and economic considerations and continually re-evaluated in the light of new findings in these areas,

13. Aware of the role and importance of sinks and reservoirs in terrestrial and marine ecosystems, inter alia, in the absorption of greenhouse gases,

14. Recognizing that action to reduce emissions of greenhouse gases can also help in solving other environmental problems,

15. Affirming that response to climate change should be coordinated with social and economic development in an integrated manner with a view to avoiding adverse impacts on the latter, taking into full account the legitimate needs of developing countries which have at this time as their main priority the achievement of sustained economic growth and the eradication of poverty, and that therefore the promotion of economic growth in developing countries is essential to address the problems related to climate change,

16. Recognizing that the improvement of the international economic environment, thus promoting the economic growth and sustainable social and economic development, of developing countries, is [essential]/[a prerequisite] for enabling developing countries to participate effectively in the international efforts to address climate change,

17. Recognizing that all countries, especially developing countries, need access to [all the] resources required to achieve sustainable social and economic development and that in order to progress towards that goal, [the energy consumption of developing countries must grow, taking into account the need for greater energy efficiency]/[net emissions of developing countries must grow],

18. Conscious that countries with low lying coastal, arid and semi-arid areas or areas liable to drought and desertification, small island countries and countries with fragile mountainous ecosystems are particularly vulnerable to the potential adverse impacts of climate change and will therefore require special consideration under this Convention and its [subsequent protocols]/[related legal instruments],

19. [Acknowledging the specific transitional difficulties of those countries, particularly developing countries, whose economies are particularly dependent on fossil fuel

production, use and exportation, as a consequence of action taken on limiting greenhouse gas emissions and that these difficulties will need to be recognized in the development of protocols under this Convention,]

20. Bearing in mind the importance of integrating environmental concerns and considerations into policies and programmes in all countries [without introducing any form of conditionality in aid or development financing or constituting a pretext for devising new barriers to trade],

21. [Recognizing that climate policies should be as cost-effective as possible in order to ensure maximum benefits from measures undertaken,]

22. Determined to protect the atmosphere for present and future generations [on the basis of inter-generational as well as intra-generational equity],

Have agreed as follows:

I. DEFINITIONS

(To be added subsequently)

[II. PRINCIPLES

1. The right to development is an inalienable human right. All peoples have an equal right in matters relating to reasonable living standards. Economic development is the prerequisite for adopting measures to address climate change. The net emissions of developing countries must grow to meet their social and economic development needs.

2. All States have a duty to aim at sustainable development for the benefit of present and future generations. Protection of the global climate against human induced change should proceed in an integrated manner with economic development in the light of the specific conditions of each country, [without prejudice to the socio-economic development of developing countries]. Measures to guard against climate change should be integrated into national development programmes [taking into account that [evolving] environmental standards] valid for developed countries may have inappropriate and unwarranted social and economic costs in developing countries [and countries with economies in transition].

3. All States have an obligation to protect the climate [system] for the benefit of present and future generations of mankind on the basis of [inter-generational as well as intra-generational] equity. This obligation shall be carried out within different time frames for implementation in accordance with common but differentiated responsibilities and capabilities [between developing and developed countries] and taking fully into account that the largest part of emissions of greenhouse gases have been originating from developed countries and those countries have the main responsibility [and should take the lead] in combating climate change and the adverse consequences thereof.

Possible alternative to 3.

All inhabitants of the planet have an equal right to the atmosphere lying outside national jurisdiction. All States have an obligation to protect the atmosphere for the benefit of present and future generations of mankind on the basis of intra-generational as well as inter-generational equity. This common obligation to protect the atmosphere shall be equitably distributed between countries in accordance with developed and developing countries' common but differentiated responsibilities and capabilities and different time frames set out for implementation with a view to achieving convergence of anthropogenic carbon dioxide emissions at a common per capita level noting that the largest part of current emissions of greenhouse gases, both in historical and current terms, originates from developed countries, and that those countries [in the first instance have the main responsibility]/[shall take the lead] in combating climate change and the adverse effects thereof.

4. The Parties shall give full consideration to the specific needs and special circumstances of developing country Parties, especially those developing countries that are particularly vulnerable to the adverse consequences of climate change and also those developing countries which would have to bear a disproportionate or abnormal burden under the Convention.

5. In order [to achieve sustainable development in all countries and] to address the needs of present and future generations, precautionary measures to meet the climate challenge must anticipate, prevent, attack, or minimize the causes of, and mitigate the adverse consequences of, environmental degradation that might result from climate change. Where there are threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing [cost-effective] measures to prevent such environmental degradation. The measures adopted should take into account different socio-economic contexts.

6. States shall promote an open and balanced multilateral trading system. Except on the basis of a decision by the Conference of the Parties which should be consistent with the GATT, no country or group of countries shall introduce barriers to trade on the basis of claims related to climate change.

7. Measures taken to combat climate change should not introduce trade distortions inconsistent with the GATT or hinder the promotion of an open and multilateral trading system.

8. Alternative A

The developed countries responsible for causing damage to the environment through inducing climate change should bear the primary responsibility for rectifying that damage and the cost of prevention measures and should compensate for environmental damage suffered by other countries or individuals in other countries.

Alternative B

Those countries directly responsible for causing damage to the environment through inducing climate change should bear the responsibility for rectifying that damage. By openly demonstrating their direct responsibility or negligence, those countries shall compensate for environmental damage suffered by other countries or individuals in other countries.

9. Climate policies should be cost-effective to ensure global benefits at lowest possible costs. To achieve this, climate policies should be comprehensive, include all relevant sources and sinks of greenhouse gases, comprise all economic sectors, and may be implemented in cooperation with other Parties.

10. The principle of the sovereignty of States shall be adhered to and strictly respected in all fields of international cooperation, including that for protection of the climate.

11. The need to improve the international economic environment for the developing countries and to promote their sustained economic development are prerequisites for enabling developing countries to participate effectively in the international efforts to protect the global environment including climate protection.]

[III. OBJECTIVE

The ultimate objective of the Convention and any related legal instruments that might be agreed upon is to achieve, in accordance with the principles set out in the above articles, stabilization of greenhouse gas concentrations in the atmosphere at a level which would prevent dangerous anthropogenic interference with climate. Such a level should be reached within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to permit economic activity to develop in a sustainable and environmentally sound manner.

[The anthropogenic emissions of greenhouse gases, particularly carbon dioxide, from States should converge at a common per capita level, taking into account net carbon emissions during this century as well as the economic needs of developing countries.]]

IV. COMMITMENTS

[IV.1. GENERAL COMMITMENTS]

1. In pursuance of the above global objective, and in accordance with their common but differentiated responsibilities and taking into account their specific national and regional development priorities [and objectives and circumstances]/[particularly emission levels per capita, modified as appropriate by other relevant factors] [such as:

- emission level per capita,
- emission level per unit of GDP,
- climatic conditions,
- availability of indigenous energy sources, particularly non-carbon energy sources such as solar, hydropower, biomass, etc.,
- industrial structure of the country,
- potential for improved energy efficiency and conservation,]

the Parties commit themselves to:

[(a) Implement suitable measures for the [control]/[effective limitation] of [net] emissions of all greenhouse gases [not controlled by the Montreal Protocol] and for the maintenance and enhancement of their sinks and reservoirs;]

(b) Develop, periodically update, and [publish] [report on] national inventories of sources and sinks of all greenhouse gases not controlled by the Montreal Protocol [using a methodology to be considered at the first meeting of the Conference of the Parties with a view to reaching agreement on it];

[(c) Alternative A

Formulate, implement, publish and regularly update and report on, in the light of periodically re-evaluated scientific, technical and economic information and considerations, [cost effective and otherwise] appropriate national [and as appropriate][1] [or] regional programmes and strategies which are considered necessary by the particular Party or group of Parties with regard to the control

---

[1] Insertion

of greenhouse gas emissions, conservation and enhancement of sinks and reservoirs as well as strategies considered by the Party or group of Parties to facilitate adaptation to climate change [and] to mitigate the causes and adverse effects of climate change, including preventive measures which can be beneficial for reasons other than climate change. The Parties should formulate such programmes and strategies in accordance with Annex ..;]

[Alternative B

Formulate, implement, publish and regularly update in the light of scientific, technical and economic information, national and as appropriate regional programmes and measures

- to combat climate change
- to facilitate adaptation to climate change

taking into account paras. ... Parties should formulate such programmes and measures in accordance with Annex..;]

[(d) [Give priority to]/[Promote the necessary research for] clearing the remaining uncertainties regarding causes and effects of climate change and regarding the economic and social consequences of alternative response strategies and [promote]/[promoting] the development and diffusion of environmentally sound and safe technologies including innovative technologies for [improving energy efficiency aimed at] limiting greenhouse gas emissions;]

[(e)[2] Alternative A

In addressing the effective limitation of greenhouse gas emissions the Parties shall develop, adopt and update environmentally sound policies in all relevant sectors to:

(i) Promote energy conservation, energy efficiency and the use of cost-effective energy efficient technology;

(ii) Develop and use low carbon fuels and environmentally sound and safe CO_2 zero emission technologies, in particular new and renewable energy sources;

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[2] New text to replace original text in A/AC.237/Misc. 17/Add 1.

(iii) Promote environmentally sound transport systems;

(iv) Promote energy efficiency in products, including motor vehicles and processes, through mandatory standards or voluntary agreements, or other appropriate measures;

(v) Promote development, diffusion and use of innovative environmentally sound technologies;

(vi) Encourage environmentally sound consumer practice through public information programmes;

(vii) Encourage improved waste management practices;

(viii) Promote sustainable agricultural and land use practices;]

[Alternative B

Promote, taking into account the specific conditions of each country, [mitigative]/[cost effective] measures to limit greenhouse gas emissions in all sectors of the economy. [In the specific case of energy use, promote sustainable energy conservation, rational use of energy, energy efficiency and development and use of environmentally sound and economically feasible new and renewable energy sources that [minimize]/[control] the emissions of greenhouse gases taking into account the particular conditions of each country;]]

[Alternative C

Cooperate in development and application of requisite technologies and practices, including improvement of energy efficiency, safe renewable energy sources as well as in the protection and enhancement of sinks and reservoirs of greenhouse gases, in taking measures against soil loss with the priority aim of halting and reversing desertification, and in training of personnel;]

[(f)[3] Promote the conservation, sustainable management and enhancement of sinks and reservoirs of greenhouse gases in terrestrial and marine ecosystems [by

(i) taking measures against desertification, deforestation and forest destruction, where appropriate, with the primary aim of combating desertification and stabilizing the forest area and secondly increasing further the forest area;

[(ii) promoting overall health of ecosystems by counteracting the threats posed by, inter alia the emission of harmful pollutants and non-sustainable practices;]

(iii) taking measures against the degradation of ecosystems with the purpose of increasing their potential to act as sinks and reservoirs of greenhouse gases;

(iv) taking measures to protect the chemical balance of the atmosphere to maintain its ability to act as a sink for greenhouse gases other than carbon dioxide, such as methane];]

[(g) Make preparations for adaptation to the impacts of climate change; develop [and elaborate] appropriate and integrated plans for coastal zone management, water resources and agriculture including emergency procedures, coastal zone response mechanisms and adaptation strategies in sectors such as land use planning, agriculture and fragile ecosystems [and a global ocean observing network]; and undertake assessments of the resilience and adaptability of resources;]

(h) [Alternative A

(i) conduct impact assessments to ensure that measures taken to combat climate change or to adapt to climate change minimize adverse social, health, economic and environmental effects;

(ii) ensure that climate change considerations are taken into account in social, economic and environmental policies and actions;]

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[3] The original Alternative A of paragraph (f) has been deleted. Alternative B has been retained as the new paragraph (f), with the addition of the last sub-paragraph of the former Alternative A, which becomes the new sub-paragraph (iv).

Alternative B

Conduct timely, nationally formulated and determined, project-related socio-economic and environmental impact analysis of actions proposed for the purpose of addressing climate change with an emphasis on poverty eradication in developing countries, in particular least developed countries;

(i) Alternative A

Promote and cooperate in systematic observations, research and information exchange on climate in order to improve scientific knowledge and better understand and assess the effects of human activities on climate and the environmental and socio-economic impact of climate change and the response strategies required to deal with such change and in order to identify the carbon cycle in terrestrial ecosystems, the role of soils, biomass (including agricultural crops), forests, different bodies of water and coral reefs as sources, sinks and reservoirs for greenhouse gases, in collaboration with relevant international organizations. The Parties shall make the results of systematic national, regional and global observations and evaluations available to all interested Parties;

Alternative B

Promote and cooperate in research, systematic observations and information exchange on the climate system, in accordance with the provisions in Articles ... and Annex ..;

(j) [Alternative A

Encourage the promotion of public education and awareness of the interrelations of energy production and consumption and the environment, of opportunities for individuals and the private and public sectors to reduce energy-related environmental impacts, of the benefits and opportunities for a rational use of energy and energy conservation, of the activities contributing to the build up of greenhouse gas emissions and of the environmental and socio-economic impacts of climate change, as well as of the need to control greenhouse gas emissions and of the specific role of forests, and promote the broadest possible participation in these activities, including participation by non-governmental organizations and indigenous peoples;]

Alternative B

Promote public education and awareness on climate change, its impacts and response measures, and encourage the widest possible participation in the process, including by non-governmental organizations, in accordance with Article...;

[(k) Develop, coordinate and, as appropriate, harmonize, in order to avoid distortions to international trade and in accordance with the GATT and the provisions of Annex .., relevant economic and administrative instruments [, such as subsidies, taxes and charges, as well as other relevant instruments] aimed at [limiting]/[controlling] net emissions of greenhouse gases;]

[(l) Identify harmful national practices and policies which protect, subsidize or otherwise encourage activities which lead to greater levels of global emissions than would otherwise occur.]]

[IV.2. SPECIFIC COMMITMENTS]

[IV.2. 1 Stabilization and Reduction of Emissions and Enhancement of Sinks and Reservoirs]

Differentiation

[(a) The Parties shall establish a system of categories of countries in order to implement the principle of common but differentiated responsibility. Furthermore they agree to review the implementation of that system regularly. The categories are set out in Annex ...

Stabilization of Emissions

(b) Alternative A

The [developed country Parties as defined in Article ..]/[Parties, in particular the developed country Parties] individually or jointly shall as a first step [commit themselves to the stabilization of]/[make best efforts to stabilize]

Alternative A1

[net] emissions of anthropogenic carbon dioxide [and other greenhouse gases other than those controlled by the Montreal Protocol] in general at the 1990 levels by the year 2000. [The details of this commitment should be elaborated in an Annex.]

Alternative A2

net emission of greenhouse gases as soon as feasible, recognizing differences among countries in a number of respects.

Alternative B

The developed country Parties shall commit themselves to substantial action on the enhancement and protection of greenhouse gas sinks and limitation of [net] emissions of greenhouse gases, aiming in particular, as a first step at a stabilization, individually or collectively, of carbon dioxide emissions in general by:

Alternative B1

the year 2000 at 1990 levels, taking into account the differences among countries in a number of respects in their starting points and approaches.

Alternative B2

(i) the year 2000 at 1990 levels; or

(ii) such earlier time and at such lower level as may be agreed by the Conference of the Parties acting with consideration for the best available scientific knowledge, as agreed by the Advisory Committee on [Science].[4]

Reduction of Emissions

(c) Alternative A

The developed country Parties shall [make efforts]/[commit themselves] to take immediately steps towards reducing emissions of all anthropogenic carbon dioxide and other greenhouse gases not controlled by the Montreal Protocol [between the years 2005 and 2010]/[as early as possible]/[after the year 2000]/ [by the year 2000] [and as a first step shall reduce such emissions by 25% by the year 2010, using 1990 as the base year] taking into account the most authoritative scientific advice available and setting targets to limit and reduce all emissions of greenhouse gases.

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[4] See Section VI.4 for possible titles of committee.

Alternative B

The developed country Parties shall commit themselves to continue negotiations towards reducing emissions of all greenhouse gases, other than those already controlled by the Montreal Protocol, taking into account the most authoritative scientific, social and economic advice available and based on a programme of targets and schedules agreed on internationally.

Alternative C

As part of the elaboration of a protocol on greenhouse gas emissions, in particular carbon dioxide, reduction and/or further limitation targets for emissions of carbon dioxide and other greenhouse gases should be explored, including possible strategy options aimed at progressive reductions and/or further limitations at the horizon 2005 and 2010. In this context also an agreement on measures for limitation or reduction of methane emissions in the energy and waste sectors should be considered as a priority.

Alternative D

The implementation of emission targets shall be reviewed before the year 2000 and new targets formulated for further 10 year periods until the objective of this Convention is met.

(d)[5] In order to meet the emission targets, the Parties shall commit themselves to measures to limit and reduce greenhouse gas emissions in accordance with the criteria for the distribution of commitments among countries set out in Annex .. to the Convention.

[5] Sub-paragraphs (d), (e) and (f) were formerly placed immediately following sub-paragraph (b).

(e) Decisions to base limitations and reductions of greenhouse gas emissions on the concept of net emissions shall be based on the best available scientific knowledge, as agreed by the Advisory Committee on [Science].[6]

(f) The commitments may be implemented on a comprehensive carbon dioxide equivalent basis according to criteria set out in Annex .. to the Convention. All measurable limitations and reductions of net greenhouse gas emissions shall be credited to a Party's commitments under this Convention in accordance with the best available scientific knowledge, as agreed by the Advisory Committee on [Science][6].

Enhancement of sinks and reservoirs

(g) The Parties shall commit themselves to enhance sinks and reservoirs inter alia by:

- implementing, where appropriate, site-based afforestation and reforestation programmes;

- developing measures with regard to other sinks and reservoirs of greenhouse gases, such as oceans and seas;

Crediting

[(h) A party which, using internationally accepted methods, can demonstrate that, as a result of human activities after 1990 the capacity of ecosystems within its territory to act as sinks of greenhouse gases has increased, has the right to credit an amount equivalent to the annual average of this increase when calculating its emission level.]

Joint implementation

(i) Alternative A

The [developed country] Parties shall have the option to implement specific emission [reduction] commitments individually or jointly in

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[6] See Section VI. 4. for possible titles of committee.

cooperation with [another]/[one or more other]/[developing country] [Party]/[Parties] on the basis of equity and common but differentiated responsibility. This cooperation may take place on a bilateral, regional and global level. [When Parties cooperate in implementing [reduction] commitments, the [net reduction in emissions]/[result] shall be credited to [their respective]/[the] commitments of the former under this Convention for a specific period of time, in accordance with agreements between the cooperating Parties, [and subject to criteria approved by the Conference of the Parties.]]

Alternative B (relates to para (c) Alternative C above)

Parties making commitments in such a protocol should be able to establish bilateral, regional or global cooperation to achieve these commitments. The Conference of the Parties should establish the appropriate framework, criteria and modalities in order to provide the possibility of such cooperation.]

[IV.2. 2 **Specific commitments on financial resources]**

[(a) The developed country Parties and other Parties in a position to do so [shall commit adequate [new] and additional]/[will] [may] provide on a voluntary basis] financial resources [additional to the ones that are disbursed for development at the time of the signing of the Convention], and [separate from development aid budgets] to enable [developing country] Parties to meet the [full]/[agreed] incremental costs as elaborated upon in Annex .. required to fulfil the commitments under the Convention and [ensure]/[facilitate]/[promote] the expeditious transfer of [environmentally safe and sound]/[appropriate] technologies to developing country Parties to improve and develop their indigenous technology on a [fair and most favourable]/[preferential, concessional and non-commercial] basis.

(b) Alternative A

[At its first meeting, the Conference of the Parties]/[The Parties]shall[create]/[identify by (..)] an [International]/[Multilateral] [Climate Fund] [specific to this Convention] to expeditiously mobilize adequate, [new and additional] financial resources from [developed country Parties and other] Parties [who would wish to contribute]/[in a

position to do so], in accordance with an agreed scale of assessment, for [developing country Parties]/[other Parties with demonstrated needs]/[Parties meeting agreed criteria] in order to:

Alternative B

The Parties [will]/[may][7] through the agreed financial mechanism, where appropriate, assist the developing country Parties to:

(i) implement [all]/[specific][7] commitments under the Convention;

[(ii) adapt to and mitigate the adverse effects of climate change in accordance with their national development plans, priorities and objectives, and compensate the social and economic imbalances that result from the implementation of the Convention;

(iii) provide assured access to appropriate environmentally [safe and] sound "state-of-the-art" technologies;

(iv) complement their efforts to create and develop their endogenous capacities in scientific and technological research and development, systematic observations and information directed at combating climate change;

(v) strengthen operative institutional capacities for dealing with climate change, including human resources development;

(vi) promote research on emission control of the greenhouse gases from existing activities especially in the energy, transport, agriculture and industrial sectors;

(vii) conduct research and pilot projects on the enhancement of natural greenhouse gas sinks including afforestation of deserts and other ecosystems, halophyte afforestation and expansion of coral reefs and oyster bank ranges.]

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[7] Insertion

[(c) The fund shall operate under the authority of the Conference of the Parties [and shall be distinct and independent from other funds and international financial institutions]/[who shall decide on its overall policies and shall be administered as a Trust Fund by the Global Environment Facility of World Bank/UNDP/UNEP.]]]

[IV.2. 3 **[Technology Cooperation]/[Transfer of Technology]]**

[[Consistent with the objective of the established fund:]

(a) The Parties shall take [every practicable] step[s], consistent with their national laws, regulations and practices to [ensure]/[facilitate]/[promote] the expeditious transfer either directly or through competent intergovernmental bodies of requisite [environmentally safe and sound]/[appropriate] technologies so as to enhance the ability of [the developing countries Parties]/[Parties which meet agreed criteria defined in Annex ..] to meet their technological needs in [implementing]/[meeting] their stated commitments under the Convention.

(b) The Parties shall, for the purpose of implementing commitments under the Convention [cooperate in promoting]/[promote], consistent with their national laws, regulations and practices and taking into account the particular needs and indigenous technologies of developing country Parties, directly or through competent intergovernmental bodies, the development and transfer of environmentally safe and sound technology and knowledge. Such cooperation shall be carried out particularly through:

(i) supporting the development of endogenous capacity building in developing countries through, inter alia, the development of human resources and the strengthening of institutional capacities in research and development, in accordance with the plans, objectives and priorities of these countries;

(ii) Alternative 1

provision of information on [appropriate]/[up to date environmentally safe and sound] technologies [and equipment, including supply of special manuals or guides] to other Parties;

Alternative 2

ensuring the access of developing countries to scientific and technological information, in particular in state-of-the-art technologies, through the establishment of an international database, based on regional and national centres, easily accessible by potential users, and to information related to technological options, trading conditions, implementation costs, and technologies security;

(iii) supply of necessary equipment and facilities for research and development and systematic observation;

(iv) appropriate training of scientific, technical and managerial personnel in the technologies, equipment and installations referred to in para (iii) above;

(v) development of environmentally sound technologies in the public domain;

(vi) assistance to developing countries in building up their endogenous capacities and skills in scientific and technological research and development;

(vii) financial incentives provided by developed countries to encourage exports of environmentally sound technologies to developing countries;

(viii) appropriate means to prevent monopolistic practices in transfers of environmentally sound technologies;

(ix) support for the development of policies in the public sector, e.g. with regard to energy, transport, infrastructure and city planning.

[(c) Compliance with this Convention by developing country Parties will be dependent upon the effective implementation of the provisions of this Convention on financial resources and transfer of technology.]

(d) [Alternative A

Non-compliance procedure and [intellectual property] rights should not be applied against developing country Parties if patented technology mandated by conventions is not accessible to them.]

[Alternative B

Intellectual property rights shall not be a barrier to compliance with this Convention by developing country Parties.]]

[IV.3. SPECIAL SITUATIONS]

1. The Parties shall give full consideration to the specific needs, including the transfer of technology and funding, of developing country Parties especially

(a) countries vulnerable to sea level rise such as:

- small island countries,

- countries with low lying coastal areas;

(b) countries with potential adverse change in precipitation, such as those with:

- arid and semi-arid areas;

(c) countries with potential adverse change in meteorological conditions, such as those with:

- areas prone to natural disasters including tropical cyclones, flooding and erosion,

- areas liable to drought and desertification,

- high urban atmospheric pollution;

(d) countries with fragile ecosystems, including mountainous ecosystems, in order to enable them to adapt to and combat the potential [adverse]/[undesirable] effects of climate change.

[2.[8] The Parties shall develop and adopt a "green plan" with appropriate emergency measures and mechanisms for the protection and recovery of fragile ecosystems, particularly arid and semi arid areas affected by drought and desertification in Africa, in order to limit their vulnerability to climate change.]

3. The developed country Parties shall take full account of the specific needs and special situations of the least developed countries in their action with regard to funding and transfer of environmentally safe and sound technology.

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[8] New text

4. The Parties shall give special consideration, in the implementation of the commitments of the Convention, and in the adoption of concrete measures to the situation of the [Parties particularly the] developing country Parties whose economies are highly dependent on fossil fuels, [either because they are not in a position to use]/[and assist them in order to facilitate their use of] substitutes for such fuels, [or do not possess the]/[increase their] flexibility to switch to non-fossil fuels, [or because of]/[and over time, reduce] their high dependency of income upon the production, exportation, or consumption of fossil fuels and associated energy intensive products.

5. Alternative A

The Parties recognize that in the implementation of the commitments of the Convention an adequate degree of flexibility to stabilize their economy and modernize their industry and agriculture has to be given to countries with economies in transition.

Alternative B

The Parties recognize that in the acceptance and the implementation of the commitments of the Convention, a certain degree of flexibility has to be given to countries with limited economic resources, in particular, to countries which are in the process of stabilizing their economies, to enhance their ability to cope with the effects of climate change.

[6. The developed country Parties shall set up an international insurance pool to provide financial insurance against the consequences of sea level rise to compensate the most vulnerable small island and low lying coastal developing countries against sea level rise.]

Alternative to section IV.3

The Parties shall give full consideration to the specific needs of the following groups of Parties, particularly, the developing country Parties, in undertaking actions to combat the adverse consequences of climate change and in the transfer of financial resources and technology:

(a) small island developing countries;

(b) low lying coastal areas;

(c) arid and semi-arid areas;

(d) areas prone to natural disasters;

(e) areas liable to drought, desertification and high urban atmospheric pollution;

(f) areas with fragile ecosystems including mountainous ecosystems;

(g) countries whose economies are highly dependent on fossil fuels, either because they are not in a position to use substitutes for such fuels or do not possess the flexibility to switch to non-fossil fuels, or because of their dependency upon the production, exportation or consumption of fossil fuels and associated energy intensive products;

(h) least developed countries; and

(i) countries with economies in transition.

V. COOPERATION ON SCIENCE, RESEARCH, INFORMATION AND EDUCATION

V.1. SCIENTIFIC [,TECHNOLOGICAL] AND TECHNICAL COOPERATION

Cooperation

1. The Parties shall cooperate [, on a global and regional level,] in the development and dissemination of scientific, [technological,] technical, socio-economic and legal knowledge relevant to [uncertainties surrounding] climate change, and the potential responses thereto, through research [and development] and systematic observation, exchange of information and education, training and public awareness. [Such cooperation shall be carried out with due respect to national sovereignty and shall be consistent with national laws, regulations and practices.]

Developing countries

2. The Parties shall take into account the particular concerns and needs of developing countries and [seek to] [promote] [improve] [the] [their] capacity and capability [of all Parties] to participate in these cooperative efforts.

Minimize duplication

3. The Parties shall also seek to minimize duplication of [these cooperative] effort[s] by utilizing, where [possible] [appropriate], existing competent international and intergovernmental bodies.

V.2. RESEARCH [AND DEVELOPMENT] AND SYSTEMATIC OBSERVATION

Cooperation

1. The Parties [shall] [undertake [in accordance with their needs and the means at their disposal] to initiate] [promote] and cooperate in, directly or through competent international and intergovernmental bodies [,as decided by the Parties,] the conduct of research [and [technological] development] and systematic observation related to the climate system and climate change [as elaborated in Annex I].

National Jurisdiction

[2. Within areas under its jurisdiction, [Within its scientific means,] [and, where appropriate, within the framework of established international climate and research programmes,] each Party shall [undertake] [within their capabilities] research [and development] and systematic observation [in accordance with the means at their disposal].] [Parties that do not have the indigenous capability to undertake research and development will be ensured assistance as articulated in Article V.1. (Scientific [, Technological] and Technical Cooperation).]

Beyond National Jurisdiction

[3. [In areas beyond national jurisdiction[s],] the Parties shall encourage cooperation in research [and development] and systematic observation, taking into account [relevant laws] [and activities] [and existing programmes] at both the national and international levels. Special measures shall be implemented to promote [equal] [full and open] access to data obtained [from these areas].

Strengthen Networks and Capacity

4. The Parties shall [implement measures, including] support [for] international and inter-governmental efforts [of competent bodies as decided by the Parties] to strengthen the observational networks and data collection and research capacities, particularly in developing countries, [and shall contribute to the development of an integrated global climate observing system built upon existing cooperative international meteorological and oceanographic observing systems].

[Possible Alternative to Articles V.1. and V.2.

SCIENTIFIC AND TECHNICAL RESEARCH, SYSTEMATIC OBSERVATION AND COOPERATION

1. The Parties shall initiate and cooperate in, directly or through competent international and intergovernmental bodies, scientific and technical research and systematic observation related to the climate system and climate change as elaborated in Annex I.

2. Within areas under its jurisdiction, each Party shall be responsible for undertaking scientific and technical research and systematic observation.

3. The Parties shall take into account the particular concerns and needs of developing countries and seek to promote the capacity and capability of all Parties to participate in these cooperative efforts.

4. The Parties shall support international and intergovernmental efforts to strengthen the observational networks and data collection as well as scientific and technical research capacities particularly in developing countries.

5. The Parties shall also seek to minimize duplication of effort in research and systematic observation by utilizing, where possible, existing competent international and intergovernmental bodies.]

V.3. EXCHANGE OF INFORMATION

In order to achieve the objective of the Convention, the Parties [shall] [may] facilitate and encourage, [taking into account the special circumstances of developing countries,] directly or [, as far as possible,] through [existing] competent international and intergovernmental organizations, full [, open] and timely exchange of relevant scientific, technological, technical, socio-economic and legal [available] information [as described in Annex II]. [The Parties recognize that cooperation under this Annex has to be consistent with national laws, regulations and practices regarding patents, trade secrets and protection of confidential and proprietary information.]

V.4. EDUCATION, TRAINING AND PUBLIC AWARENESS

Promotion

1. In order to increase the understanding of climate change [and the uncertainties surrounding it] and to facilitate appropriate responses, the Parties shall promote education, training and public awareness related to climate change.

National

2. At the national [and/or regional] level and in accordance with [national laws and regulations] [the means] at their disposal, the Parties shall promote and facilitate:

(a) The development and implementation of education and public awareness programmes on climate change;

(b) Public access to information on climate change;

(c) Public participation in addressing climate change issues and developing appropriate responses; and

(d) Appropriate training of scientific, technical and managerial personnel.

International

3. At the international level, using existing organizations, institutions and channels where appropriate, the Parties shall cooperate in and promote:

(a) The development and exchange of educational and public awareness material on climate change; and

(b) The development and implementation of education and training programmes, including the exchange or secondment of personnel, in particular for developing countries.

[Alternative to paragraph 3(b)

(b) The development and implementation of education and training programmes should be carried out by:

(i) Providing courses and skills particularly to developing countries in the developed countries' institutions in the short and medium term;

(ii) In the long term, assist developing countries to build such institutions on their own; and

(iii) Exchange or secondment of personnel to train experts in this field in the developing countries.]

VI. INSTITUTIONAL ARRANGEMENTS

VI.1. CONFERENCE OF THE PARTIES

1. A Conference of the Parties is hereby established. [It shall be the highest authority under the Convention.] [[Any] [All] other bodies established by or under the Convention shall be subsidiary to the Conference of the Parties.]

2. The Conference of the Parties shall keep under [continuous] review the implementation of this Convention and any [protocols] [other related legal instruments that may be agreed upon] and make [,within its mandate provided in this Article,] the decisions necessary to [ensure] [promote] the effective [operation] [implementation] [and as necessary the future development] of the Convention. To this end, it shall, [inter alia,]:

(a) [Periodically examine] [Review [and revise, as necessary,]] [in the light of the experience gained, in the implementation of the Convention and of the evolution of scientific knowledge] in accordance with Article [VII.3.] (Amendments), the [objectives of the Convention] [the efficiency of measures taken, the obligations of the Parties and the institutional arrangements provided for under the present Convention and recommend improvements where it deems necessary];

[(b) Assess and review the implementation of the [obligations] [operation] of the Convention [and its protocols];]

[(c) Consider the information submitted in accordance with Article [VII. 1.] (Reporting) [to assess the totality of the global response] [and review the mechanisms and timetables for its transmission];]

[(d) Consider reports from subsidiary bodies [and take such actions as it deems necessary in accordance with the functions described in Article [VI.3.] (Secretariat), Article [VI.4.] (Advisory Committee on Science), Article [VI.5.] (Committee on Implementation), and Article [VII. 1.] (Reporting)];]

[(e) Publish regular reports on the progress in implementing the objectives of the Convention;]

[(f) Provide [policy direction and operational guidelines] [guidance] [rules] to the [administrative mechanism] for financial resources and [environmentally safe] technology transfer [, including establishing criteria and priorities and selection of projects,] provided for in Article [VI.6] (Administrative Mechanism);]

[(g) Establish criteria under which the [administrative] mechanism for financial resources and [environmentally safe] technology transfer will develop ["global accounting credit standards"] for contributions of technology;]

[Alternative to (g)

Establish criteria for joint implementation of commitments by Parties in accordance with Article xx (Joint Implementation) and Article [VI.6.] (Administrative Mechanism);]

[Alternative to (f) and (g)

Provide policy direction and establish criteria for the functioning of the [administrative] mechanism for financial resources and technology transfer;]

[(h) Consider and decide upon questions of interpretation and implementation of the Convention in accordance with Article [VII.2.] (Alternative A) (Resolution of Questions);]

(i) [Seek] [[Request] and utilize] the [services and] cooperation of, and utilize the information provided by, [competent] [appropriate] [specialized] international [organizations] and intergovernmental [and non-governmental] bodies;

(j) Review [periodically] [the evolution of the Earth's climate and the effects of measures taken under this Convention (and its protocols) on the basis of] relevant scientific, [environmental], technological, technical, legal and socio-economic information relating to [climate change and climate change response strategies] [the climate system and its changes] [and draw up conclusions [synthesis reports] on the subject];

(k) [Promote] the coordination [[or [as appropriate] harmonization] of [appropriate] policies, strategies and measures] [of programmes] to address [the adverse consequences of] climate change, taking into account the [differing circumstances] [respective responsibilities and capabilities] of Parties to the Convention;

[Alternative to (k)

Ensure intensive exchange of information concerning policies, strategies and measures to address climate change in order to avoid the offsetting of the policies, strategies and measures due to their incompatibilities;]

[(l) [Seek to] mobilize [new and additional] financial resources [for meeting the full incremental costs] with a view to [ensuring] [promoting] [the full implementation] of the obligations of the Convention;]

(m) Promote public awareness of the climate change issue;

(n) Consider and [where appropriate] [recommend] [adopt] programmes for research [and development] and [systematic observation [of climatic changes], exchange of information, education, training and public awareness, and scientific, technological [socio-economic] and technical cooperation] [including endogenous capacity building and technology transfer] [in accordance with Article [V.2.] (Research [and Development] and Systematic Observation), Article [V.3.] (Exchange of Information) and Article [V.4.], (Education, Training and Public Awareness)],

[Alternative to (n)

Consider questions related to research and development and systematic observation, exchange of information, education, training and public awareness, and scientific, technological and technical cooperation, and seek advice on these from relevant international and intergovernmental bodies;]

(o) Establish [any] such subsidiary bodies [[,including any body] to coordinate its activities when it is not in session], as are deemed necessary for the implementation of this Convention;

[(p) Agree upon and adopt [its] [for itself and for any subsidiary bodies] rules of procedure and any amendments thereto, by consensus;]

[(q) Consider and decide [by consensus] upon financial and budgetary matters for this Convention, including the financial rules and provisions governing its operation and that of its subsidiary bodies and the secretariat;]

[Alternative to (p) and (q)

Agree upon and adopt by consensus rules of procedure and financial rules for itself and for any subsidiary bodies that are established by or under the Convention;]

(r) Consider and adopt, as may be agreed upon, [by consensus] in accordance with the relevant articles, amendments to this Convention, additional Annexes and amendments of Annexes to this Convention;

(s) Consider, [and adopt as may be agreed in accordance with Article [VII.4.] (Protocols),] any protocol[s] to this Convention;

[(t) Consider any amendment to such protocol[s], additional annexes and amendments of annexes to any protocol[s], and, if so decided, [by consensus] recommend their adoption to the Parties to the protocol[s] concerned;]

(u) Make recommendations on any matters necessary for the efficient [operation] [implementation] of the Convention; and

(v) Exercise such other functions and powers as are conferred on it by this Convention [or are required for the achievement of its purposes].

Decisions by the Conference of the Parties

[3. The Conference of the Parties shall make every effort to take its decisions under the Convention by [consensus] [general agreement], [unless otherwise expressly provided for]. If all efforts at [consensus] [general agreement] have been exhausted, decisions [on substantive issues] shall, as a last resort, be taken by a [two-thirds] [three-quarters] majority vote of the Parties present and voting.]

Meetings

[4. The first meeting of the Conference of the Parties shall be convened by [insert name of the secretariat designated on an interim basis under the Article on the secretariat] not later than one year after entry into force of this Convention. Thereafter, ordinary meetings of the Conference of the Parties shall be held [annually] [every two years] unless otherwise decided by the Conference.]

5. Extraordinary meetings of the Conference of the Parties shall be held at such other times as may be deemed necessary by the Conference, or at the written request of any Party, provided that, within [three] [six] months of the request being communicated to the Parties by the secretariat, it is supported by at least [one third] [one half] of the Parties.

Observers

[6. The United Nations, its specialized agencies and the International Atomic Energy Agency, as well as any State not Party to this Convention, may be represented at meetings of the Conference of the Parties as observers. Any other body or agency, whether national or international, governmental or non-governmental, competent in matters covered by the Convention that has informed the secretariat of its wish to be represented at a meeting of the Conference of the Parties as an observer may be admitted [according to the Rules of Procedure] [unless at least one third of the Parties present object]. [The [admission and] participation of observers shall be subject to the rules of procedure adopted by the Conference of the Parties.]]

[VI.2. EXECUTIVE COMMITTEE

Composition

1. An Executive Committee is hereby established. It will be composed of [fifteen] [thirty] members representing all the Parties and elected by the Conference of the Parties by a majority of the Parties present and voting. The members shall be Government representatives [who are experts on matters related to climate change], designated on the basis of equitable geographical constituencies. [Each member shall be elected for a period of four years]. Their mandate shall expire at the following ordinary meeting of the Conference of the Parties. The Executive Committee shall meet [in . . .] [at the location of the secretariat] at intervals to be decided by the [Committee] [Conference of the Parties]. It shall take its decisions in accordance with rules of procedure to be adopted by the Conference of the Parties.

Functions

2. The Executive Committee is the executive organ of the Conference of the Parties. It shall in particular:

(a) Ensure the implementation of the decisions of the Conference of the Parties, as instructed by the latter;

(b) Prepare the deliberations of the Conference of the Parties;

(c) Oversee the dissemination of information to all Parties about measures taken by other Parties on the basis of reports submitted in accordance with Articles ---;

(d) Establish, after a review of national reports submitted in accordance with Articles ---, a report on the implementation of the Convention by the Parties and draft recommendations to be considered by the Conference of the Parties;

(e) Prepare an evaluation of the cumulative effects of the measures taken in respect of the objectives of the Convention;

(f) Seek to establish at each stage of the review process, a close dialogue with the Parties concerned and to come to consensual solutions on questions that may arise;

(g) Oversee and give additional guidance, within the framework of the decisions of the Conference of the Parties, to other subsidiary organs of the Convention [and especially to the financial mechanism of the Convention]; and

(h) Carry out any other function the Conference of the Parties may confer on it.

Annual report

3. The Executive Committee shall, with the assistance of the secretariat, prepare an annual report on the implementation of the Convention and propose the measures it deems appropriate to the Conference of the Parties. This report shall be transmitted to all Parties by the secretariat. The Conference of the Parties shall decide whether the report is to be published.

4. [Meetings: text to be drafted.]

5. [Election of Officers: text to be drafted.]

6. [Establishment of Ad hoc Panels: text to be drafted.]]

VI.3. SECRETARIAT

Establishment

[1. A secretariat is hereby established to service the Conference of the Parties and [its] [any] subsidiary bodies.]

Functions

2. The functions of the secretariat shall be:

(a) To arrange for and service meetings provided for in Articles [VI.1 (Conference of the Parties)], [VI. 4. (Advisory Committee on [Science] [Climate Change] [Climate Protection and Development])], [VI. 5. ([Advisory] Committee on Implementation)] [VII. 2. (Resolution of Questions), [VII. 3 (Amendments to the Convention)], [VII. 4. (Protocols)] and [VII. 5 (Adoption and Amendment of Annexes to the Convention)];

(b) To [prepare and] [compile and] transmit reports based upon information received in accordance with Articles [V. 3.] and [VII.1] (Exchange of Information and Reporting), as well as upon information derived from meetings of [any] subsidiary bodies [that might be established];

[(c) To prepare reports on its activities carried out in the implementation of its functions under the Convention and present them to the Conference of the Parties;]

[Alternative to (c)

To register, process and coordinate information as decided by the Conference of the Parties with a view to providing the necessary information support to the Conference of the Parties in its task of implementing the Convention;]

[(d) To provide assistance in the compilation of national reports;]

(e) To ensure the necessary coordination with relevant [international] [and intergovernmental] bodies;

(f) To enter into such administrative and contractual arrangements as may be required for the effective discharge of its functions [and as authorized by the Conference of the Parties];

(g) To perform the functions assigned to it by any [protocol to the Convention] [other related legal instrument that might be agreed upon]; and

(h) To perform such other functions as may be determined by the Conference of the Parties.

Designation of interim secretariat

3. The secretariat functions will be carried out on an interim basis by the ad hoc secretariat established under resolution 45/212 of 20 December 1990 of the General Assembly of the United Nations until the completion of the first ordinary meeting of the Conference of the Parties held pursuant to Article [VI. 1.] (Conference of the Parties). At its first ordinary meeting, the Conference of the Parties shall designate a secretariat. [At this meeting the Conference of the Parties shall evaluate the implementation by the interim secretariat of the functions assigned to it.]

[VI.4 ADVISORY COMMITTEE ON [SCIENCE] [CLIMATE CHANGE] [CLIMATE PROTECTION AND DEVELOPMENT]

Establishment

1. A [multi-disciplinary] Advisory Committee on [Science] [Climate Change] [Climate Protection and Development] is hereby established.

[The Conference of the Parties, at its first meeting, shall consider and decide the structure and operational matters of this Committee, including provisions on its membership, meetings and election of officers].

Functions

2. The Advisory Committee on [Science] [Climate Change] [Climate Protection and Development] [shall have an advisory [and consultative] role and] shall perform the following functions, making use, to the greatest extent possible, of competent [international and] intergovernmental [and non-governmental] bodies:

(a) [Provide] [Ensure the provision of] regular assessments to the Conference of the Parties on the state of knowledge in the fields of natural, technological, social and economic [and development] sciences pertaining to [climate change and] [observations, predictions and [development]] responses to climate change [and development];

(b) [Provide] [Ensure the provision of] regular assessments to the Conference of the Parties on the adequacy of, and priorities for, [international cooperation on] research [and development] and systematic observation undertaken in support of the Convention [and Annex I] and to make recommendations thereon;

[(c) Review, from a scientific viewpoint, the cumulative effect of measures taken in implementation of the Convention;]

(d) Respond to [scientific] questions and any other matters [within its mandate as specified in this Article] referred to it by the Conference of the Parties or any body subsidiary to the Conference of the Parties;

(e) [Provide] [Ensure the provision of] scientific [and technical] advice to the Parties, upon request, in fulfilling their [reporting requirements] [obligations].

(f) Seek [as appropriate] the assistance, advice and services of competent international [, intergovernmental and non-governmental] bodies and scientific committees;

[(g) [Consult and report on] [Consider] [Review] research, assessments and other information relevant to the purposes of the Convention whether conducted by Parties, non-Parties or other national, international, governmental or non-governmental bodies or agencies [and make [such] recommendations [to such institutions] as it may deem necessary];]

[(h) [Have] access [to] the relevant [scientific and technical] information provided by the Parties in accordance with [Article VII. 1.] (Reporting) and to [the work of the mechanism established under Article [VI. 6.] (Administrative Mechanism)] and [,upon request of the Conference of the Parties,] to furnish opinions and recommendations thereon to the Conference of the Parties [and to the other subsidiary organs involved in the review process];]

(i) Identify on its own initiative matters within its [scientific] mandate [as specified in this Article] that need to be addressed [including the scientific aspects of the future development of the Convention] and to report and make recommendations thereon to the Conference of the Parties;

[(j) Establish such [subsidiary] [ad hoc] bodies, subject to the approval of the Conference of the Parties, as it may deem necessary to assist in the performance of its functions;]

[(k) Provide regular advice to the Conference of the Parties on the most reliable scientific predictions of global and regional climate;]

[(l) Facilitate the provision of regular assessments to the Conference of the Parties of the state of the global climate system and especially of any evidence of global or regional trends;] and

(m) Perform any other function assigned to it by the Conference of the Parties or under any [protocol to the Convention] [related legal instruments as may be agreed upon].

Possible additional text:

[For the purposes of the Convention, the Advisory Committee shall take up responsibility for all functions so far carried out by the Intergovernmental Panel on Climate Change, which, upon the entry into force of this Convention, will be invited, by the Parties, to integrate the structure of the Convention, under the Advisory Committee. The Advisory Committee shall, besides incorporating the functions until now undertaken by the Intergovernmental Panel on Climate Change, provide regular assessments on questions related to developmental concerns and implications of the new regime for cooperation on climate change, as set forth in this Convention.]

Membership

[3. The Advisory Committee shall, [be open-ended] [have [fifteen] members], who are [experts] [government representatives] [government experts] in natural, technological, social and economic [and development] sciences. They shall be elected by the Conference of the Parties, with due regard to the principle of equitable [geographic] [development level] [scientific capability] representation, [and shall serve in their individual capacities]. [Each member shall be elected for an initial term of four years and may serve [one] additional term[s] subject to the procedure set forth above].]

[Alternative for paragraph 3

The Advisory Committee shall be open to representatives of all States Parties who are experts in natural, social and economic sciences.]

[Alternative for paragraphs 3 to 8]

The Conference of the Parties shall, at its first meeting, decide on the composition, terms of membership and election of officers of the Advisory Committee.

[4. Each year the Conference of the Parties shall review the membership of the Advisory Committee in the light of the required expertise and efficiency in the performance of its tasks. If deemed necessary, the Conference of the Parties may decide to reduce or extend the number of members, due account being taken of the criteria, procedures and lengths of terms of office set forth above.]

Meetings

[5. Unless the Conference of the Parties decides otherwise, the Advisory Committee shall be convened within six months after the first meeting of the Conference of the Parties. Thereafter, unless [it or] the Conference of the Parties decide otherwise, the Committee shall meet at least annually.]

Election of Officers

[6. The Advisory Committee shall elect from among its members a chairman, two vice-chairmen and a rapporteur each to serve [in rotation] [for a term of [one] [two] year[s]], and who may be re-elected to serve additional terms.]

Rules of procedure

[7. The Advisory Committee shall agree upon and adopt its rules of procedure, and any amendments thereto, by consensus.]

Observers

[8. The meetings of the Advisory Committee shall be open to observers designated by any Party.]

[9. The Advisory Committee may invite, as necessary, appropriate [non-governmental] [international and intergovernmental] experts to participate in or observe its meetings.]

[10. The Conference of the Parties, in drawing up the rules of procedure for the Advisory Committee, shall make appropriate provisions for the participation as observers of representatives of any body or agency, whether national or international, governmental or non-governmental, competent in matters covered by the Committee.]]

[VI.5 [ADVISORY] COMMITTEE ON IMPLEMENTATION

Establishment

1. An [Advisory] Committee on Implementation is hereby established. [Its members shall be experts in matters related to climate change and shall serve in their individual capacities.]

[The Conference of the Parties, at its first meeting, shall consider and decide upon the structure and operational matters of this Committee, including provisions on its membership, meetings and election of officers.]

Functions

2. [Without prejudice to the national sovereignty of the Parties, and upon their request] The Committee shall review [the implementation by the Parties of their obligations] [the progress by the Parties in implementing all their obligations [and actions] under the Convention. It shall provide information and advice to the Parties on the development [and implementation of national strategies] to meet these obligations and on the fulfilment of the reporting requirements under the Convention. [The socio-economic circumstances of the Parties shall be taken into consideration when the Committee prepares its reports.] To this end,] the Committee shall:

(a) Advise individual Parties, at their request, on the ways and means of meeting the reporting requirements set forth in Article [VII. 1. (Reporting)] [and Annex III], [including the development of national climate change strategies,] [devising and implementing new or additional response measures] [and identifying national programmes that require [financial and technological resources] [transfer of new and additional financial resources and state of the art technology on preferential and non-commercial terms]];

(b) Review and consult with individual Parties on the reports submitted by those Parties in accordance with Article [VII. 1.] (Reporting) [and request, as necessary, additional information or clarification thereon];

[(c) Report and make recommendations, as appropriate, to the Conference of the Parties on the [implementation by individual parties of their obligations under the Convention and on] [review of individual reports and the] [overall] implementation of the obligations and to the extent to which the cumulative effect of the actions to implement the Convention's obligations meets the objective of the Convention;]

[Possible additional paragraphs

On the basis of Article [VII. 1.] (Reporting) and the review, consultation, information or clarification under paragraphs (b) and (e), report and make recommendations as appropriate to the Conference of the Parties on the action of a Party or Parties to implement the Convention's obligations;]

[Review the reports submitted by the Parties in accordance with Article [VII. 1.] (Reporting) to determine, from a technical point of view:

(i) Whether a report is complete, in accordance with Article [VII. 1.] (Reporting);

(ii) Whether the estimated net greenhouse gas reductions of the specific actions identified by a Party in its report could in fact be realized;

(iii) Whether the methodologies used to make the estimates were technically valid; and

(iv) If proposed projects have been identified, whether they would be likely to achieve the net greenhouse gas reductions anticipated and whether the estimated costs are consistent with the scope of the proposed projects;]

(d) Confirm to the Conference of the Parties those Parties which have submitted reports in accordance with the provisions of Article [VII. 1.] (Reporting) [and that their strategies meet their general and specific commitments under the Convention];

(e) [[Seek], [receive and]] consider [relevant] information from competent international and intergovernmental bodies and [[accredited] non-governmental organizations] [other sources];

[(f) Consult with, and seek the advice of, the Advisory Committee on [Science] [Climate Change] [Climate Protection and Development], as necessary;] and

[(g) Assist the Conference of the Parties and individual members in the development and coordination of implementation plans.]

Membership

[3. The Committee shall [have [fifteen] members, who are] [be open-ended and composed of] [government representatives] [experts on matters related to climate change] [government experts on matters relating to climate change] [and shall serve in their individual capacities]. Members shall be elected by the Conference of the Parties with due regard to the principle of equitable representation. Each member shall be elected for a term of four years and may be re-elected to serve additional terms subject to the procedure set forth in this paragraph.]

Meetings

[4. The first meeting of the Committee shall be convened not more than six months after the first meeting of the Conference of the Parties. Unless the Conference of the Parties decides otherwise, subsequent meetings shall be convened at least twice a year.]

Election of Officers

[5. The Committee shall elect from among its members, a chairman and two vice-chairmen and a rapporteur, each to serve for a term of two years, and who may, subject to re-election, serve additional terms.]

Rules of procedure

[6. The Committee shall agree upon and adopt its rules of procedure and any amendments thereto, by consensus.]]

[Possible Alternative to VI.5.

COMMITTEE ON IMPLEMENTATION

Establishment

1. A Committee on Implementation is hereby established.

Functions

[2. Same text as paragraph 2 of Article [VI. 5.] (Implementation).]

2 bis

The Committee shall also report to the Conference of the Parties on questions regarding the interpretation and implementation of the Convention. To this end, the Committee shall:

(a) Receive and consider written submissions by Parties concerning the interpretation and implementation of the Convention;

(b) If the question relates to a specific Party, notify in writing the Party concerned that a question regarding its interpretation and implementation of the terms of the Convention has arisen;

(c) If the question relates to a specific Party, request the Party concerned to respond and take part in consultations with the Committee;

(d) Consult, as it deems necessary, representatives of any Party and any other subsidiary body established by or under the Convention;

(e) Request that the Party concerned advise the Committee of its capacity to implement fully the provisions that were the subject of the question, the provisions of the Convention as a whole, and of its needs relevant to the implementation of the Convention;

(f) Promote, using the means, institutions, and funds available under the Convention, the capacity of the Party concerned to comply with and implement its commitments under the Convention concerning the issue under consideration; and

(g) Report the results of the consultations to the Conference of the Parties including, where appropriate, recommendations for the resolution of the question.

3. The Committee shall have fifteen members, who are experts on matters related to climate change. Members shall be elected by the Conference of the Parties with due regard to the principle of equitable representation. Each member shall be elected for a term of four years and may be re-elected to serve one additional term subject to the procedure set forth in this paragraph.

Meetings

4. The first meeting of the Committee shall be convened not more than six months after the first meeting of the Conference of the Parties. Thereafter the Committee shall meet as necessary to perform its functions, but at least biennially.

Election of Officers

[5. Same text as paragraph 5 of Article [VI. 5.] (Implementation)]

Rules of procedure

[6. Same text as paragraph 6 of Article [VI. 5.] (Implementation)]]

VI.6. [[ADMINISTRATIVE] [INDEPENDENT FUNDING] MECHANISM FOR FINANCIAL RESOURCES AND TECHNOLOGY TRANSFER] [INTERNATIONAL CLIMATE FUND]

OPTION 1

Establishment

[1. An [administrative] [independent funding] mechanism for [the administration] of the financial resources and the transfer of [safe and sound] technology, with a democratic and transparent system of governance, [and equitable participation by developed and developing countries] is hereby [established] [designated under the auspices of . . .].]

[Possible Alternative Text

A financial mechanism is hereby established. The financial mechanism shall operate under the authority of the Conference of the Parties who shall decide on its overall policies. The Executive Committee of the Parties shall, with the consent of the Conference of the Parties, develop and monitor the implementation of the specific operational policies for the purpose of achieving the objectives of the financial mechanism.]

[Possible Additional Text

The financial mechanism shall include a Climate Fund which shall be administered as a Trust Fund by the Global Environment Facility of World Bank/UNDP/UNEP. The Climate Fund shall meet on a grant or concessional basis the agreed incremental costs of developing countries referred to in Article . . .]

Functions

[2. The [administrative] mechanism for financial resources and [safe] technology transfer shall:

[(a) Pursuant to the operational guidelines and policy direction of the Conference of the Parties, be responsible for the administration of funds, including those funds related to the promotion of [preferential and non-commercial] transfer of [safe] technology, provided by the Parties for the fulfilment of the obligations of the Convention;]

(b) Be accountable to the Conference of the Parties for its allocation of the funds and for ensuring that the funding priorities and criteria established by the Conference of the Parties are adhered to in its financial activities;

(c) Receive and collect assessed [funds] [contributions] from the Parties to the Convention;

(d) Be responsible for receiving voluntary contributions, either financial or in kind (technology) provided by Parties, in accordance with criteria set out by the Conference of the Parties;

[Possible Alternative to (c) and (d)

Receive and collect assessed and voluntary contributions, both financial and material, including technology, from Parties and other donors, in accordance with criteria set out by the Conference of the Parties;]

(e) Establish appropriate accounting procedures to ensure that all [assessments and] [assessed and voluntary] contributions made to fulfil the obligations of the Convention are properly recorded and credited;

(f) Be responsible for facilitating the identification and selection of projects for assisting Parties to [meet] [implement] their obligations [jointly] under this Convention, based on criteria and priorities established by the Conference of the Parties;

[(g) Coordinate funding for such projects, including proposals involving transfer of [safe] technology [on preferential and non-commercial terms to developing countries] and endogenous capacity building, and, where possible, seek to match projects with available funds and [safe] technology to ensure [as defined by this Convention] maximum efficiency and cost effectiveness [at the national level];]

(h) Finance its operations from a fund, separate from its programme resources, established specifically to cover its administrative expenses;

(i) Establish internal procedures to evaluate and assess the effectiveness of its programmes drawing on outside expertise as required and reporting on such evaluations and assessments in a timely fashion to the Conference of the Parties;

(j) Provide annual reports to the Conference of the Parties on its operations and, as required, information to the subsidiary bodies of the Convention of the Parties, in order that they can fulfil their mandates; and

[(k) Administer the [joint implementation] [cooperative system of exchange] of [emissions commitments] [commitments on emissions [of greenhouse gases] and enhancement of all sinks] according to the terms of the Convention;]]

[Possible Additional Sub-Paragraphs

(...) Administer operations required of it by protocols to this Convention, and any other matters agreed on by the Conference of the Parties.]

(...) [Explore ways and means to employ financial resources to promote the flexibility of intellectual property rights with a view to promoting the transfer of sound technology to developing countries.]

OPTION 2 (Alternative A)

[1. The Parties hereby designate the Global Environment Facility (GEF) as the mechanism for the provision of financial resources, including financial resources for technology cooperation, related to the implementation of this Convention.

2. The Parties, acting through the Conference of the Parties, may suggest to the GEF general guidelines and specific proposals for funding.

3. Further, interested Parties may meet, on an ad hoc basis, to consider whether any Party is interested in assisting another Party in the implementation of a proposed project it has identified in its national report. Parties may, as appropriate, invite representatives of multilateral financial institutions to such meetings for the purposes of providing them with an opportunity to consider projects for inclusion in their development assistance portfolios.]

OPTION 2 (Alternative B)

[1. The Parties hereby designate the Global Environment Facility (GEF) as the mechanism for the provision of financial resources to assist developing countries to meet the agreed incremental costs of implementing their obligations under the Convention.

2. The Conference of the Parties shall establish appropriate arrangements with the GEF under which the latter will fulfil this role. These arrangements shall include:

(a) Modalities by which the GEF shall take account of the general guidelines and priorities for funding established by the Conference of the Parties;

(b) The receipt, management and disbursement by the GEF of contributions provided under Article [. . .];

(c) The receipt by the GEF of requests from developing country parties for funding for projects, including proposals involving transfer of technology and indigenous capacity building; and

(d) The provision by the GEF of regular reports to the Conference of the Parties on its operations (including how they relate to other assistance provided to developing countries in the energy, forest and other sectors relevant to climate change) and, as required, information to the subsidiary bodies of the Conference of the Parties to assist them to fulfil their mandate.

3. The Conference of the Parties shall ensure that the GEF is kept fully and regularly informed of the policy framework and priorities it adopts, and particularly those that are relevant to the activities of the GEF in the field of climate change.]

OPTION 3

Establishment

[1. An International Climate Fund is hereby established under the authority of the Conference of the Parties which shall decide on its overall policies and operations, in particular determining priorities, criteria and selection of projects and activities to be funded. It shall be distinct and independent from other funds and international financial institutions.

2. The mechanism for financial resources and transfer of technology set up under the International Climate Fund, shall be administered as follows:

Functions relating to financial resources

(a) Meet on a grant basis the full incremental costs of measures taken by developing country Parties to address climate change, in accordance with criteria to be developed by the Conference of the Parties;

(b) Cover the costs to developing country Parties of adaptation and mitigation measures that may be needed as a result of the adverse consequences of climate change and the direct and indirect social and economic costs to developing countries that may result from the implementation of the Convention;

(c) Be responsible for receiving assessed and other contributions, either financial or as otherwise provided by Parties and other bodies, in accordance with criteria set out by the Conference of the Parties;

(d) Establish appropriate accounting procedures to ensure that all assessments and contributions made to fulfil the obligations of the Convention are properly recorded, credited and accounted for;

(e) Be responsible for facilitating the identification and selection of projects and activities for supporting the efforts of the Parties to meet their obligations under this Convention;

(f) Finance the secretariat services of the Fund and related support costs;

(g) Provide an annual report to the Conference of the Parties on its operations and, as required, information to the subsidiary bodies of the Conference of the Parties, in order that they can fulfil their mandates; and

(h) Provide, in general, funding for projects and activities organized under this Article and in accordance with the provisions set out by this Convention.

Functions related to transfer of technology

(i) Pursuant to the operational guidelines and policy direction of the Conference of the Parties, coordinate the appropriate procedures and take the necessary steps to promote, facilitate and enable the transfer of technology;

(j) Provide funding to purchase requisite technologies for the implementation of projects undertaken by developing country Parties under the mechanism set up by the International Climate Fund;

(k) Promote, and finance when necessary, the exchange of and access to technological information required by the Parties. The technological information should include inter alia, the environmentally sound and safe technologies including those that have been neglected or displaced, the technological options, trading conditions, implementation costs and technological security;

(l) Coordinate ways and means to develop long-term technological partnerships between the holders of environmentally sound technologies and potential users in Parties, particularly developing countries, taking into account their national objectives and policies;

(m) Organize, when requested by a recipient Party, or group of recipient Parties and on terms and conditions set out by such recipient countries, international competitive bidding to purchase requisite technologies for transfer to the requesting parties;

n) Provide requested support to a recipient Party or group of recipient Parties to assess the offers presented in international competitive bidding, to enable the requesting parties to obtain the most favourable terms and conditions, including inter alia, in terms of price, transfer of know-how, high safety and environmental requirements, training, supply of spare parts, and maintenance; and

(o) Ensure the development of endogenous capacity building in developing country Parties, including technologies in the public domain, in accordance with their development plans, objectives and priorities of these countries, through, inter alia, the supply of necessary equipment, expertise and facilities for research and development, and the training of scientific, technical, and managerial personnel.]

[Possible Additional Text Related to Objectives under Article 22 (Based on Misc. 12)[7]

1. The funding mechanism shall have the following functions:

(a) Implement commitments under the Convention;

(b) Adapt to and mitigate the adverse effects of climate change in accordance with their national development plans, priorities and objectives.

(c) Provide access to appropriate environmentally [safe and] sound "state-of-the-art" technologies;

(d) Strengthen operative institutional capacities for dealing with climate change, including human resources development;

(e) Promote research on emission control of the GHGs from existing activities especially in the energy, transport, agriculture and industrial sectors;

(f) Conduct research and pilot projects on the ecologically sustainable enhancement of natural GHG sinks.]

[7] The current text corresponding to that draft Article is Section IV.2.2., Alternative B.

[VI.7. INSURANCE

The Parties shall establish separate supplementary financial mechanisms to assist developing countries, particularly least developed countries, vulnerable small island and low lying coastal developing countries [and developing countries with vulnerable mountain areas] [and countries suffering from desertification or drought] to prevent or mitigate the adverse consequences of sea-level rise resulting from climate change, as specified in [Annex V] (Insurance Mechanism).]

VII. PROCEDURES

VII.1. REPORTING

Submission of Reports

1. [In accordance with its particular circumstances and capabilities] Each Party [shall] [may] submit to the secretariat a report on [its national strategy and on the policies and] the measures it [has undertaken] [is undertaking] to implement its obligations [as well as the opportunity costs of foregoing a national development option and [on] projects for transfer of financial resources and technologies] under the Convention, as well as on any other actions it deems relevant [with respect to the objectives to the Convention], [including the extent to which those measures will contribute to meeting such obligations], [[drawn up] [in accordance with] [and may include] the provisions set forth in [Annex III] to this Convention] [consistent with national laws and regulations]. [For developing country Parties, the fulfilment of this obligation will be conditional on the availability of corresponding new and additional financial resources.]

First Report

2. For developed country Parties, the first report [shall] [may] be submitted within [one] [two] year[s] of the entry into force of the Convention [for it] or within [one] [two] year[s] of ratification, acceptance or approval of, or accession to, the Convention. For developing country Parties, the first report [shall] [may] be submitted within [two] [four] [five] years of the entry into force of the Convention [for it] or within [two] [four] [five] years of ratification, acceptance or approval of, or accession to, the Convention.

[3. The developing country Parties to this Convention shall be assisted in the preparation of the report. Such assistance will include both technical and financial assistance as well as the identification of the technical and financial needs associated with the implementation and review of such reports.]

Frequency of Subsequent Reports
(See also Annex III)

[4. The frequency according to which reports and their updating will be submitted will vary from one year to five years, depending on the different levels of energy-related CO_2 emissions per capita, as defined by the Conference of the Parties, based on internationally accepted data.]

Regional/Group reporting

[5. Any group of Parties may, subject to the prior notification to the [Advisory Committee on Implementation] [body in charge of implementation], [and with the approval of the Conference of the Parties], submit a single report in fulfilment of their obligation under paragraph 1 above [provided that such a report includes details of each Party's contribution to fulfilment of its individual obligations].]

Transmission to the Conference of the Parties

6. The secretariat [shall] [may] transmit the reports submitted by the Parties to the Conference of the Parties, [within four months of receiving such reports] except as provided for in paragraph 8 below.

Transmission to the Advisory Committee on Implementation

[7. The secretariat [shall] [may] transmit the reports submitted by the [Parties to the [Advisory Committee on Implementation] [body in charge of implementation]].]

Confidential Information

8. The secretariat shall ensure that information [designated as confidential by the supplying Party] [and] [meeting the criteria for confidentiality established in Annex III] is not disclosed [[to other Parties and is aggregated] [and shall aggregate it] to protect its confidentiality [before it is made available to all Parties].]

[VII. 2. (Alternative A)

RESOLUTION OF QUESTIONS REGARDING INTERPRETATION AND IMPLEMENTATION OF THE CONVENTION

Process

[1. [Subject to paragraph 5] The Conference of the Parties shall, in a timely fashion, consider and resolve questions regarding the interpretation and implementation of the Convention [including those questions] that are brought to its attention in writing by Parties or by its subsidiary bodies. To this end, it may establish [one or more ad hoc] [a] Panel(s) of its members, designated [with specific and limited terms of office] in accordance with Annex ... (Annex to be drafted). [If questions relate to a specific Party, the ad hoc panel(s) shall invite a representative of the Party that is the subject of the question (hereinafter referred to as the "Party concerned") to attend the meetings of the Panel.] [In considering the question before the next ordinary meeting of the Conference of the Parties and following the meeting at which the ad hoc Panel was established, the ad hoc Panel shall:

(a) If the question relates to a specific Party, [(hereinafter referred to as the "Party concerned")] notify in writing the Party concerned that a question regarding [its] interpretation and implementation of the terms of the Convention has arisen;

(b) [If the question relates to a specific Party,] request the Party concerned to respond [and] take part in consultations with the Panel [and attend meetings of the Panel];

[(c) Request any Party which brought the question to the attention of the Conference of the Parties to take part in consultations with the Panel and attend meetings of the Panel;]

(d) Consult, as it deems necessary, representatives of any Party and other expert bodies;

(e) Request that the Party concerned advise the ad hoc Panel(s) of its capacity to implement fully the provisions that were the subject of the question, the provisions of the Convention as a whole, and of its needs relevant to the implementation of the Convention;

(f) Promote, using the means, institutions, and funds available under the Convention, the capacity of the Party concerned to comply with and implement its commitments under the Convention; and

(g) Report the results of the consultations to the Conference of the Parties, including, if necessary, a recommendation for resolution of the question.]

[Possible addition to paragraph 1

The Conference of the Parties may, pending final resolution of the question, take any interim action it deems necessary to advance the objectives of the Convention.]

[Alternative to paragraph 1

1. The Conference of the Parties shall, in a timely fashion, consider and resolve questions regarding the interpretation and implementation of the Convention that are brought to its attention in writing by Parties or by its subsidiary bodies. To this end the Committee on Implementation established under Article [VI. 5.] (Implementation Committee) shall consider such questions and submit a report to the Conference of the Parties.]

Consideration of Report

[2. At its next [ordinary] meeting, the Conference of the Parties shall consider the report of [an ad hoc Panel] [Committee on Implementation] and [take any course of action] [adopt any recommendation] [issue recommendations on actions] [it deems] necessary to further the objectives of the Convention. In doing so, the Conference of the Parties [or an ad hoc Panel] may, at any time, seek an advisory opinion from [an ad hoc Panel of Legal Experts.] [a subsidiary body established by or under the Convention.] [The Conference of the Parties may also, if appropriate, request an advisory opinion from the International Court of Justice.]]

Decisions by the Conference of the Parties

[3. If the Party concerned does not comply with the course of action set out by the Conference of the Parties, the Conference of the Parties may, again, take any further action it deems necessary to advance the objectives of the Convention [including:...].]

Voting

4. The Parties shall make every effort to take [action] [decisions] under this Article by consensus. If [all] efforts at consensus have [been exhausted] [failed], [action] [recommendations] shall [, as a last resort,] be [taken] [adopted] by a [two-thirds] [three-quarters] majority vote of the Parties present and voting.

[Possible additional paragraph

5. The Conference of the Parties may resolve not to use the procedure set out in this Article, if the particular question of interpretation or implementation is being considered by the Arbitral Tribunal pursuant to Article [VII. 2.] (Alternative 2) (Settlement of Disputes) or the International Court of Justice.]]

[POSSIBLE ALTERNATIVE TO VII. 2. (Alternative A)

Process

1. Questions relating to the implementation of the Convention may be drawn to the attention of the Conference of Parties by Parties [and by any subsidiary body established by or under the Convention]. Any Party concerned about another Party's implementation of its obligations under the Convention or about its own capacity to implement fully those obligations may notify its concern, through the secretariat, to the Conference of Parties. The Conference of Parties shall, in timely fashion, consider any such question and promote its resolution. To that end it may, as necessary, establish an ad hoc Panel of ..... of its members.

2. In considering the question before the next ordinary meeting of the Conference of the Parties, the ad hoc Panel shall:

(a) Invite the Party which has brought the question to the attention of the Conference of the Parties and any other Party whose implementation of the Convention is in question to attend meetings of the Panel and take part in consultations with it;

(b) Provide the Party whose implementation of the Convention is in question a full opportunity to inform the Panel of its capacity to implement its obligations under the Convention and of its needs relevant to that issue;

(c) Consult, as it deems necessary, any subsidiary body established by or under the Convention and other expert bodies;

(d) Promote, as necessary, the enhancement of the capacity of the Party whose implementation of the Convention is in question to implement fully its obligations under the Convention; and

(e) Report the results of its consultations, together with any recommendations, to the next ordinary meeting of the Conference of the Parties.

Consideration of Report

3. After considering the report of the ad hoc Panel, the Conference of the Parties may decide to adopt a recommendation or recommendations to promote the full implementation of the Convention and to further its objectives.

Voting

4. The Conference of the Parties shall make every effort to take decisions under this Article by consensus. If all efforts at consensus have been exhausted decisions shall, as a last resort, be taken by a two-thirds majority vote of the Parties present and voting.

Additional rules

5. The Conference of the Parties may in elaboration of the provisions of paragraph 2 of this Article, lay down additional rules relating to membership of ad hoc Panels, their meetings and procedures.

Relationship to Dispute Settlement (VII. 2.) (Alternative B)

Option 1

6. If, after the expiry of . . . months following the initial submission of any question to the secretariat pursuant to paragraph 1 of this Article, any Party continues to have a concern relating to the implementation by another Party of its obligations under the Convention, it shall be entitled to invoke the dispute settlement procedures, established by Article [VII. 2.] (Alternative B) (Settlement of Disputes) of the Convention.

Option 2

6. The provisions of this Article are without prejudice to the operation of Article [VII. 2.] (Alternative B) (Settlement of Disputes) of the Convention.]

[VII. 2. (Alternative B)

SETTLEMENT OF DISPUTES

Negotiation and other peaceful means

[1. In the event of a dispute between Parties concerning the interpretation or application of this Convention or any Protocol thereto, the Parties concerned shall seek solution by negotiation [or in the manner set forth in Annex . . . (Resolution of Questions Regarding Interpretation and Implementation of the Convention).]

2. If the Parties concerned cannot reach agreement by negotiation, they may jointly seek the good offices of, or request mediation by, a third party.]

Recourse to other third-party procedures

[3. If the Parties concerned cannot settle their dispute in the manner set forth in paragraphs 1 and 2 of this Article, and if they so agree, the dispute shall be submitted to the International Court of Justice or to arbitration in accordance with [Annex IV].

4. Failure to reach common agreement on submission of the dispute to the International Court of Justice or to arbitration does not absolve the Parties from the responsibility of pursuing the means of settlement pursuant to paragraphs 1 and 2 of this Article.

5. At the time of ratification, acceptance, approval, or accession to the Convention, or at any time thereafter, a State or regional economic integration organization may declare in a written instrument submitted to the Depositary that, for a dispute not resolved in accordance with paragraphs 1 and 2 above, it accepts in relation to any Party accepting the same obligation, one or both of the following means of dispute settlement:

(a) Arbitration in accordance with [Annex IV];

(b) Submission of the dispute to the International Court of Justice.

6. A declaration made under paragraph 5 above shall remain in force until it expires in accordance with its terms or until three months after written notice of its revocation has been deposited with the Depositary.

7. A declaration made under paragraph 5 above shall not affect the operation of paragraphs 1 and 2 of this Article.

8. A new declaration, a notice of revocation or the expiry of a declaration shall not in any way affect proceedings pending before the International Court of Justice or the Arbitral Tribunal, unless the Parties to the dispute otherwise agree.

9. Declarations and notices referred to in this Article shall be deposited with the Depositary who shall transmit copies thereof to the secretariat and to all Parties.

10. If, after the expiry of twelve months from the date of a request made pursuant to paragraph 1 of this Article, the Parties concerned have not been able to settle their dispute or have not agreed on the competence of the International Court of Justice or the Arbitral Tribunal, the dispute

OPTION 1: Conciliation Commission

shall be submitted to a Conciliation Commission. The Commission shall be composed of an equal number of members appointed by each Party concerned, and of a chairman chosen jointly by the members appointed by the Parties. The Commission shall render a final, non-binding decision, which the Parties shall consider in good faith.

OPTION 2: Judicial settlement

may be submitted, at the request of any one of the Parties, to the Arbitral Tribunal]]

VII. 3. AMENDMENTS TO THE CONVENTION

Proposals

1. Any Party may propose amendments to this Convention.

Adoption of Amendments

2. Amendments to this Convention shall be adopted at a [regular] meeting of the Conference of the Parties. The text of any proposed amendment to this Convention shall be communicated to the Parties by the secretariat at least [three] [six] months before the meeting at which it is proposed for adoption. The secretariat shall also communicate proposed amendments to the Signatories to the Convention for information.

3. The Parties to the Convention shall make every effort to reach agreement on any proposed amendment to the Convention by consensus. [If all efforts at consensus have been exhausted, and no agreement reached,] [If the efforts do not seem likely to attain this objective,] the amendment shall be adopted by a [two-thirds] [three-quarters] majority vote of such Parties present and voting at the meeting [whose [net] emissions of [greenhouse gases] [CO_2 represent at least [xx%] [75%] [80%] of estimated global [net] [CO_2] [greenhouse gases] [emissions in the preceding [five] year[s],] the amendment shall be submitted by the Depositary to all Parties for their ratification, acceptance or approval.

Voting

4. For the purposes of this Article, "Parties present and voting" means Parties present and casting an affirmative or negative vote.

Entry into Force of Amendments

5. Instruments of ratification, acceptance or approval of amendments shall be deposited with the Depositary. Amendments adopted in accordance with paragraph 3 above, [for those States having accepted the amendment] shall [unless otherwise provided in the amending instrument itself] enter into force on the ninetieth day after the date of receipt by the Depositary of notification of their ratification, acceptance or approval, by at least [two-thirds] [three-quarters] of the Parties to this Convention [and whose [net] emissions of greenhouse gases represent at least 80% of [net] global emissions in the preceding year].

6. The amendments shall enter into force for any other Party on the ninetieth day after

the date on which that Party deposits with the Depositary its instrument of ratification, acceptance or approval of the amendments.

[VII. 4. PROTOCOLS

Adoption

1. [This Convention and its protocols shall jointly constitute an international legal regime regarding climate change.] The Conference of the Parties may at any [regular] meeting adopt protocols [that are aimed at implementing the [comprehensive] purposes and principles established in the Convention, specifying [comprehensive] measures or obligations relating to [certain] [all] aspects of climate change]. [The protocols shall be in conformity with the provisions of the Convention.]

Notification to the Parties

2. The text of any proposed protocol shall be communicated to the Parties by the secretariat at least [three] [four] [six] months before such a meeting.

Entry into Force

[3. The requirements for the entry into force of any protocol shall be established by that instrument [and may include provisions regarding [accelerated] [differentiated] procedures for entry into force].]

Parties to a Protocol

[4. Only Parties to the Convention may be Parties to a protocol.]

Only Parties to Protocol to take Decisions relating to a Protocol

5. [Subject to the provisions of paragraph 4 above,] Decisions under any protocol shall be taken only by the Parties to the protocol concerned.]

VII. 5. ADOPTION AND AMENDMENT OF ANNEXES TO THE CONVENTION

Annexes as Integral to the Convention

1. The Annexes to this Convention shall form an integral part of this Convention and, unless expressly provided otherwise, a reference to this Convention constitutes at the same time a reference to any Annexes thereto. [Such Annexes shall be restricted to [procedural, scientific, technical and administrative matters] [technical lists or forms of a scientific or technical character] [lists, forms and any other material of a descriptive nature only].]

Adoption of Additional Annexes to the Convention

2. [Additional] Annexes to the Convention shall be proposed and adopted according to the procedure set forth in Article [VII. 3.] (Amendments to the Convention).

Procedure for Entry into Force of Additional Annexes to the Convention

3. Annexes that have been adopted in accordance with paragraph 2 above shall enter into force for all Parties to the Convention [three] [four] [six] months after the date on which the Depositary issues notices to such Parties of the adoption of the Annex, except for those Parties that have notified the Depositary, in writing, within that period of their non-acceptance of the Annex. The Annex shall enter into force for Parties which withdraw their notification of non-acceptance on the ninetieth day after the date of withdrawal of such notification has been received by the Depositary.

Procedure for Amendments to Annexes

4. The proposal, adoption and entry into force of amendments to Annexes to the Convention shall be subject to the same procedure as that for the proposal, adoption and entry into force of Annexes to the Convention.

5. If an additional Annex or an amendment to an Annex involves an amendment to the Convention, the additional Annex or amended Annex shall not enter into force until such time as the amendment to this Convention enters into force.

VII. 6. RIGHT TO VOTE

1. Each Party to the Convention shall have one vote, except as provided for in paragraph 2 below.

2. Regional economic integration organizations, in matters within their competence, shall exercise their right to vote with a number of votes equal to the number of their member States that are Parties to the Convention [and which are present at the time the vote is taken]. Such an organization shall not exercise its right to vote if any of its member States exercises its right, and vice versa.

VIII. FINAL CLAUSES

VIII.1. DEPOSITARY

The Secretary-General of the United Nations shall be the Depositary of this Convention.

VIII.2. SIGNATURE

This Convention shall be open for signature by States [Members of the United Nations or members of the Specialized Agencies of the United Nations] and by regional economic integration organizations at [ ] from [ ] to [ ], and at the United Nations Headquarters in New York from [ ] to [ ].

VIII.3. RATIFICATION, ACCEPTANCE, APPROVAL OR ACCESSION

1. The Convention shall be subject to ratification, acceptance, approval or accession by States and by regional economic integration organizations. It shall be open for accession from the day after the date on which the Convention is closed for signature. Instruments of ratification, acceptance, approval or accession shall be deposited with the Depositary.

Regional Economic Integration Organizations

2. Any regional economic integration organization which becomes a Party to this Convention without any of its member States being a Party shall be bound by all the obligations under the Convention. In the case of such organizations, one or more of whose member States is a Party to the Convention, the organization and its member States shall decide on their respective responsibilities for the performance of their obligations under the Convention. In such cases, the organization and the member States shall not be entitled to exercise rights under the Convention concurrently.

Declarations of Competence

3. In their instruments of ratification, acceptance, approval or accession, [the] regional economic integration organizations shall declare the extent of their competence with respect to the matters governed by the Convention. These organizations shall also inform the Depositary, who shall in turn inform the Parties, of any substantial modification in the extent of their competence.

VIII.4. ENTRY INTO FORCE

Entry into Force of the Convention:

1. This Convention shall enter into force on:

(Four options)

- **Option 1:**
  The ninetieth day after the date of deposit of the [twentieth] [twenty-fifth] [fortieth] [fiftieth] [sixtieth] [eightieth] instrument of ratification, acceptance, approval or accession.

- **Option 2:**
  The ninetieth day after the date of deposit of the instrument of ratification, acceptance, approval or accession from States or regional economic integration organizations whose [net] emissions of greenhouse gases [CO_2] represent [two-thirds] [three-quarters] of estimated total global net emissions in [year].

- **Option 3:**
  The ninetieth day after the date of deposit of the [twentieth] [twenty-fifth] [fortieth] [fiftieth] [sixtieth] [eightieth] instrument of ratification, acceptance, approval or accession by, and of ratification, acceptance, approval or accession by States or regional economic integration organizations whose [net] emissions of greenhouse gases [CO_2] represent [two-thirds] [three-quarters] of estimated total global net emissions in [year].

- **Option 4:**
  The ninetieth day after the date of deposit of the [twentieth] [twenty-fifth] [fortieth] [fiftieth] [sixtieth] [eightieth] instrument of ratification, acceptance, approval or accession, or the ninetieth day after the date of deposit of the instrument of ratification, acceptance, approval or accession from States or regional economic integration organizations whose [net] emissions of greenhouse gases [CO_2] represent [two-thirds] [three-quarters] of estimated total global net emissions in [year], whichever is the earlier.

Entry into Force for Parties once Convention Already in Force

2. For each State or regional economic integration organization that ratifies, accepts or approves this Convention or accedes thereto after the deposit of the [twentieth] [twenty-fifth] [fortieth] [fiftieth] [sixtieth] [eightieth] instrument of ratification, acceptance, approval or accession, [in accordance with paragraph 1] it shall enter into force on the ninetieth day after the date of deposit by such State or regional economic integration organization of its instrument of ratification, acceptance, approval or accession.

Regional Economic Integration Organizations

3. For the purposes of paragraphs 1 and 2 above, any instrument deposited by a regional economic integration organization shall not be counted as additional to those deposited by member States of the organization.

VIII.5. RESERVATIONS AND DECLARATIONS

1. [No] reservations may be made to this Convention.

Parties Not Precluded from Making Declarations

[2. Paragraph 1 above shall not, however, preclude a State or regional economic integration organization when signing, ratifying, accepting, approving or acceding to this Convention, from making declarations or statements, provided that such declarations or statements do not purport to exclude or to modify the effects of the provisions of the Convention in their application to that State or regional economic integration organization.]

VIII.6. WITHDRAWAL

Written Notification of Withdrawal from Convention

1. At any time after [three] [four] [five] years from the date on which this Convention has entered into force for a Party, that Party may withdraw from the Convention by giving written notification to the Depositary.

Effective Date of Withdrawal

2. Any such withdrawal shall take effect upon expiry of [six months] [one year] from the date of its receipt by the Depositary, or on such later date as may be specified in the notification of the withdrawal.

Withdrawal from Convention considered as Withdrawal from Protocol

3. Any Party that withdraws from this Convention shall be considered as also having withdrawn from any protocol to which it is a Party. [Withdrawal from a protocol is governed by the provisions of this protocol.]

VIII.7. AUTHENTIC TEXTS

The original of this Convention, of which the Arabic, Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations.

IN WITNESS WHEREOF the undersigned, being duly authorized to that effect, have signed this Convention.

Done at .....this .....day of .....19...

[ANNEXES]

[ANNEX I

[RESEARCH [TECHNOLOGICAL] [[AND] DEVELOPMENT] AND SYSTEMATIC OBSERVATION] [TECHNOLOGICAL AND SCIENTIFIC RESEARCH AND SYSTEMATIC OBSERVATION]

[1. The Parties recognize that [the] major [scientific] [issues] [uncertainties] [[in the] state of knowledge] related to climate change [,and its relation to development,] are:]

[Possible Alternative Chapeau

The following areas are suggested for the purposes of Article [V.2], in the promotion of and cooperation in research, technological development and systematic observation relevant to climate change:]

(a) Understanding the interactions between changes in the climate system and the physical, chemical, biological, hydrological and geological processes and solar cycles in the atmosphere, oceans and land;

[(b) Documentation of the contemporary and historic changes in the Earth's climate through long-term systematic observations of the Earth's atmosphere, oceans, terrestrial and socio-economic systems;]

[(c) Developing models of the Earth's climate system and prediction of the magnitude and rate of future climate change in the global, regional and national scales, due to both natural processes and human activities;]

(d) Understanding the impacts of climate change [and the response to it] on ecosystems and social and economic systems; and

(e) Evaluating the methodologies for assessing options for mitigating and adapting to climate change, including consideration of [socio-economic] costs and benefits of such options [including opportunity costs of foregoing options].

[[2. [The Parties recognize the need to cooperate] [Indicative list of areas where cooperation] in conducting research [and development] and systematic observation [is needed], in accordance with Article [V.2] [, in such areas as]:]

(a) Systematic Observations. Long term systematic observations of the Earth's atmosphere, oceans, seas, terrestrial and socio-economic systems on global and regional scales, including documenting the contemporary and historical changes in the Earth's environment using an integrated space, land and ocean based [global climate] observing system and relevant paleoenvironmental data. [Full use of existing weather and climate observing systems should be ensured.] Specifically there is a need for systematic observations to measure and/or estimate:

(i) atmospheric parameters, including,

- greenhouse gases, aerosols and their possible precursors;
- clouds, by type, amount, height, composition and optical properties;
- precipitation, evaporation and water vapour, temperature, wind and radiative fields.

(ii) oceanic parameters, including,

- ocean fluxes, particularly of heat and of greenhouse gases, aerosols, and their possible precursors between the ocean surface and atmosphere;
- sea level, temperature, roughness, circulation, ice cover, chemical composition, biological activity and colour.

[(iii) coastal zone parameters, including,

- sea level, temperature and other relevant meteorological and oceanographic parameters;
- parameters defining state and viability of coastal ecosystems, including coral and planktonic populations;
- parameters defining the quality and viability of human settlements.]

(iv) terrestrial parameters, including,

- fluxes of heat and of greenhouse gases, aerosols, and their possible precursors between ecosystems and the atmosphere;
- extent, state and productivity of managed and unmanaged ecosystems;

- physical surface characteristics, such as temperature, albedo, roughness, soil parameters, snow, ice, permafrost, glaciers, lake levels, and river discharge; and

- geodynamic, seismic and volcanic processes and their consequences.

(v) socio-economic parameters, including,

[- consumption patterns;]
- population dynamics;
- urban development;
- rural population;
- type, extent and variability of land use practices;
- economic variables including reserves of natural resources, incremental costs, debt problems, [commodity prices] and terms of trade;
- geographic characteristics of countries;
- technology and practices in energy, forestry, agriculture, transport, hydrology, and industry;
- human health.

(b) Process research. Research of the coupled physical, chemical, biological, [hydrological, geological,] economic and social processes that affect the Earth's climate system. There is a need for an improved understanding of the processes [and development of methodologies] governing:

(i) the sources and sinks of greenhouse gases, aerosols, and their possible precursors, which affect future atmospheric concentrations and the Earth's radiative balance, and how these may be influenced by climate change. Specifically:

- identification, quantification and development of an understanding of the processes that control oceanic, terrestrial, and atmospheric sources, sinks and reservoirs of anthropogenic and natural origin;
- quantitative estimation of radiative properties and lifetimes;
- improved indices that reflect the radiative forcing of greenhouse gases [, taking into account historical emissions];

- development and improvement of methodologies for national inventories of sources, sinks and reservoirs.

(ii) atmospheric cycling of [radiation,] heat and water, with emphasis on cloud formation, dissipation and radiative properties, which influence the response of the atmosphere to greenhouse forcing. Specifically, research on:

- the atmospheric distribution of water vapour, precipitation, and clouds;
- evaluating the radiative properties of clouds;
- evaluating the temporal variability of solar radiative input and atmospheric transmission;
- the evaluation and mapping of surface albedo.

(iii) oceans, which influence the patterns and rate of climate change. Specifically, studies to establish the mechanisms governing:

- ocean dynamics;
- the transport of heat and chemicals;
- exchanges of energy and chemicals with the atmosphere;
- interactions between the ocean and land;
- the role of biological processes in the cycling of carbon and sulfur and their response to anthropogenic activities;
- sea level changes.

(iv) the role of terrestrial systems in hydrological and ecological processes, which affect regional climate change and water availability. Specifically, studies of the role of terrestrial geophysical and biological, hydrological processes in the cycling of energy, water and nutrients on land and exchange with the atmosphere, [the sea level rise and rivers of fresh water] and their response to environmental changes.

(v) the cryosphere, particularly in polar regions, which affects global sea level changes and regional climate change. Specifically, studies of:

- the mass balance of polar ice sheets and glaciers and their response to climate change;
- the role of sea ice in the atmosphere-ocean exchange of energy;

- the processes controlling snow accumulation, redistribution, and seasonal melting;
- the dynamics of permafrost systems.

[(vi) the biosphere and the oceans,including those of the Antarctica and the Arctic regions, as reservoirs or sinks, as well as ways and means of preserving and enhancing sinks and reservoirs and creating new ones.]

(vii) [economic and social] [development] processes, which contribute and react to climate change. Specifically, studies of how the climate system [influences and] is influenced by:

- [natural resource endowment;]
- economic growth, policies and practices;
- technology and practices in a wide range of sectors including energy, agriculture, forestry, transportation and industry; and
- social systems, policies and practices.

(c) Modelling and prediction. Prediction of the magnitude and rate of future climate change, including an identification and assessment of uncertainties, through the development and validation of integrated climate system models with enhanced [local and] regional [and national] resolution, social and economic models, and the links and feedbacks between climate change and social and economic processes [and development paths]. At a global [, and] regional [and national] scale, there is a need for [broadened and improved efforts related to]:

(i) [improved] representation within models of processes affecting climate;

(ii) evaluation of the predictability of climate;

(iii) comparison of model output with current observation, past records and transient climate parameters;

(iv) development of fully coupled climate models, which integrate the effects of changing atmospheric radiative properties with changes in physical, chemical, [and] biological [, hydrological, geological] processes [in solar cycles] and between the atmosphere, oceans and land, linked to social and economic models, and

(v) simulation of climate change based on different emission scenarios.

(d) Impact research. Research to [evaluate and to] develop methodologies for evaluating the local and regional [and national] impacts of climate change, and identifying the environmental, economic and social consequences. There is a need for an improved understanding of the impact of climate change on:

(i) natural terrestrial, aquatic and coastal ecosystems and resources. As a function of rate and magnitude of climate change, determining the sensitivity of:

- ecosystems (e.g., productivity, extent) to changes in temperature, hydrological system (e.g., groundwater, precipitation, soil moisture), atmospheric composition, and sea level;
- changes in stability and composition in ecosystems; and
- the biological diversity of marine life [in the oceans] including shifts in marine organisms.

(ii) agriculture, forestry and fisheries. Conducting regional studies of the impacts of climate change on:

- potential productivity of crops;
- the vulnerability of major crops and their varieties;
- the abundance and distribution of fisheries;
- socio-economics of changed transport, storage processing and marketing conditions.

(iii) water resources. Examining, on a regional basis, effects of changes in the hydrological cycle on:

- provision of drinking, irrigation and industrial water supplies;
- impact on agriculture [and]
[- inland navigation;]
- combined effects of climate change and land use changes on water resources;
- drought and desertification.

(iv) coastal environment

- sea level and temperature[s] [changes], and their subsequent regional impacts on geological and ecological processes, including coral and planktonic populations;
- the viability and quality of human settlements; and
- frequency and magnitude of marine disasters such as severe storms and storm surges and their impact on coastal structures.

(v) social systems and economics. Investigating the effects of changes in climate, weather, [and] sea level [and temperature] on:

- disease vectors, viability of pathogens, nutrition and other factors relevant to human health;
- the viability and quality of land use, human settlements, the built environment and all other aspects contributing to the quality of life;
- the economic, social and cultural consequences for societies, especially for [vulnerable small island countries] [those particularly vulnerable].

(e) Research to develop [response measures, including development of technology for the] [methodologies on the] mitigation of, and adaptation to, climate change, including for:

(i) examining options for reducing sources and/or increasing sinks of greenhouse gases and their potential precursors

- from energy, industrial, commercial, domestic and transport sources through studies of:
  - . technology options for low emission, high efficiency and alternative technologies, including biotechnology, biomass, wind and solar energy, and technologies for greenhouse gas fixation;
  - . applicability, cost and social factors affecting use of conventional and newly developed technology options;
- from forestry and agriculture through studies of:
  - . methods for reducing emissions and/or increasing sinks;
  - . applicability, cost and social factors affecting use of lower emission or enhanced sink practices;

- from oceans through studies of methods, costs and consequences of increasing oceanic uptake;
- by utilizing economic and other policy instruments; and
- through education and public information techniques.

(ii) examining options for adapting to a changing climate of:

- natural terrestrial, aquatic and coastal ecosystems and resources;
- agriculture, forestry and fisheries;
- water resources;
- coastal environment; and
- social systems and economics.

(iii) Assessing the costs, benefits, and environmental and social consequences of mitigation and adaptation responses, including:

- as a function of the timing and magnitude of climate change;
- the direct and indirect links between responses and economic activity, [including eradication of poverty and trade]; and
- the distributional and other social implications of responses within and between countries and regions; and
- countries which are not in a position to use substitutes for fossil fuels or do not possess the flexibility to switch to non-fossil fuels.

(iv) Environmentally safe and sound technologies, practices and measures.]

[3. The Parties recognize the need to support existing international or intergovernmental programmes or organizations aiming at defining, conducting, assessing and/or financing research, development and systematic observation as described in paragraphs 1 and 2 of this Annex. In particular, the Parties acknowledge the following programmes and their subsidiary programmes, and organizations:

- Intergovernmental Panel on Climate Change (IPCC)
- World Climate Programme (WCP)
- International Geosphere-Biosphere Programme (IGBP).]]

[POSSIBLE ALTERNATIVE TEXT FOR ANNEX I

1. The Parties recognize that the major scientific issues related to climate change are:

(a) Understanding the interactions between changes in the climate system and the physical, chemical, biological, and geological processes in the atmosphere, oceans and land;

(b) Understanding the impacts of climate change on ecosystems and social and economic systems;

(c) Evaluating the methodologies for mitig ing and adapting to climate change, including consideration of costs and benefits of such options.

To resolve these problems, the active participation of all countries is required.

2. The Parties recognize, in accordance with Article [V. 2.] (Research [and Development] and Systematic Observation), the need to cooperate in the establishment of a global climatic observation system in using and developing existing networks of measurement, transmission, processing and data storage. In particular, it is necessary to undertake systematic observations in order to measure directly or indirectly:

(a) Atmospheric parameters, including,

(i) greenhouse gases, aerosols and their possible precursors;

(ii) clouds, by type, amount, height, composition and optical properties;

(iii) precipitation, humidity, evaporation and water vapour, temperature, wind and radiative fields.

(b) Oceanic parameters, including,

(i) ocean fluxes, particularly of heat and of greenhouse gases, aerosols, and their possible precursors between the ocean surface and atmosphere;

(ii) sea level, temperature, roughness, circulation, ice cover, chemical composition, biological activity and colour.

(c) Terrestrial parameters,

(i) fluxes of heat and of greenhouse gases, aerosols, and their possible precursors between ecosystems and the atmosphere;

(ii) extent, state and productivity of managed and unmanaged ecosystems;

(iii) physical characteristics, such as temperature, albedo, roughness, soil parameters, snow, ice, permafrost, glaciers, lakes and rivers.

(d) Socio-economic parameters, including,

(i) population dynamics;

(ii) urban development;

(iii) type, extent and variability of land use practices;

(iv) economic variables including reserves of natural resources, and geographic characteristics of countries;

(v) technology and practices in energy, forestry, agriculture, transport, hydrology, and industry;

(vi) human health.

3. The Parties, in accordance with Article [V. 2.] (Research [and Development] and Systematic Observation), recognize the need to cooperate in conducting research and development in such areas as:

(a) Process research. Research of the coupled physical, chemical, biological, geological, economic and social processes that affect the Earth's climate system. There is a need for an improved understanding of the processes and development of methodologies governing:

(i) the sources and sinks of greenhouse gases, aerosols, and their precursors, which affect atmospheric concentrations and the possible impact of a climate change;

(ii) atmospheric cycling of radiation, heat and water, with emphasis on cloud formation, dissipation and radiative properties, which influence the response of the atmosphere to greenhouse forcing;

(iii) oceans, which influence geographical distributions and the rate (pace) of the climate change.

(iv) the role of terrestrial systems in hydrological and ecological processes, which affect regional climate change and water availability;

(v) the cryosphere, particularly in polar regions, which affects global sea level changes and regional climate change; and

(vi) economic and social processes, which contribute and react to climate change.

(b) Modelling and prediction. Prediction of the magnitude and rate of future climate change, including an assessment of uncertainties, through the development and validation of integrated climate system models with enhanced regional and national resolution, social and economic models, and the links and feedbacks between climate change and social and economic processes. At a global, regional and national scale, there is a need for:

(i) improved representation within models of processes affecting climate;

(ii) evaluation of the predictability of climate;

(iii) comparison of model output with current observation;

(iv) development of fully coupled climate models.

(c) Impacts. Evaluation of the local and regional impacts of climate change, and identifying the environmental, economic and social consequences. There is a need for an improved understanding of the impact of climate change on the following activities and fields:

(i) natural terrestrial, aquatic and coastal ecosystems and resources;

(ii) agriculture, forestry and fisheries;

(iii) water resources;

(iv) coastal environment;

(v) social systems and economics.

(d) Development of methods for mitigation and adaptation to climate change. In particular:

(i) examining options for reducing sources and/increasing sinks of greenhouse gases aerosols and their precursors;

(ii) examining options for adapting to climate changes;

(iii) development of technologies which are safe, rational and ecologically sound;

(iv) assessing the costs, benefits, and environmental and social consequences of mitigation and adaptation responses.

4. The Parties recognize the particular needs of the developing countries in the following areas:

(a) Observation and data analysis.

(i) it is necessary to help them to increase their capacity to observations and data analysis;

(ii) undertake systematic observations mentioned in sub-paragraphs (a) to (d) of paragraph 2;

(iii) exchange observations with other countries, especially on a regional basis;

(iv) process, locally and at a regional level, data in view to using it for their economic development and studying responses to mitigate and adapt themselves to climate change.

(b) Research and technological innovations.

The aim is simultaneously to, inter alia, promote sustainable development, reduce greenhouse gases emissions, increase the sinks and improve adaptive possibilities to climate changes. This concerns, in particular, the following sectors:

(i) agriculture (reduction of soil carbon emissions, adaptation to drought, limitation of desertification, etc.);

(ii) energy (promotion of bioenergy and other renewable energies, energy conservation etc.);

(iii) forestry (reduction of pressure for deforestation, promotion of forestry for food, stabilization of agriculture); and

(iv) coastal zones and fisheries.

To meet these objectives, developing countries should be able to increase the means spent for:

- training and research;
- technological innovations and research, in cooperation with industrialized or developing countries.]

[ANNEX II

EXCHANGE OF INFORMATION

[The Parties to the Convention shall exchange information [in accordance with V. 3. (Exchange of Information)] [relevant to the objectives of the Convention]. [The Parties recognize that cooperation under this Annex has to be consistent with national laws, regulations and practices regarding patents, trade secrets and protection of confidential and proprietary information.] Such information shall include the following] [It is suggested that the exchange of information, in accordance with Article V. 3., include the following]:

1. **Scientific Information**

This includes information on:

(a) Planned and ongoing research programmes and activities, both governmental and private [, to the extent such information is available];

(b) Relevant scientific results published in peer-reviewed literature on the understanding of the physics and chemistry of the Earth's atmosphere, the climate system, the oceans and the biosphere and of their susceptibility to change;

(c) Relevant unpublished data and results [, if available];

(d) The assessment of research results and recommendations for future research;

(e) Measures for strengthening and assisting in building national capacity of developing countries;

(f) [[Net] emission inventories including ambient concentrations, emission and removal rates, as well as net emissions, of greenhouse gases and the techniques for systematic observation of these variables] [Techniques for systematic observation of the rates of emission and uptake of greenhouse gases and of their net emissions]; and

(g) Methodologies for the development of [net] emission inventories.

2. **Technological, Technical and Socio-economic Information**

This includes information on:

(a) The availability, feasibility and costs of alternative technologies, and agricultural and forestry practices to reduce emissions and increase sequestration of greenhouse gases, as well as related planned and ongoing research, including appropriate information on relevant safe technologies and related equipment and their manuals and guides;

(b) The limitations involved in using such alternative technologies and agricultural and forestry practices;

(c) National strategies and programmes to mitigate and adapt to climate change, including actions taken, relevant socio-economic information and available assessments of effectiveness; and

(d) Relevant business and commercial activities [, when available].

3. **Legal Information**

This includes information on:

(a) National laws, administrative measures and legal research relevant to the objectives of the Convention;

(b) International agreements, including bilateral agreements, relevant to the objectives of the Convention; and

(c) Methods and terms of licensing and availability of patents relevant to alternative technologies and agricultural and forestry practices.]

[ANNEX III
REPORTING

1. [The manner in which reports would be prepared and their content, should be determined by the individual Party.] Reports submitted pursuant to Article [VII. 1.] (Reporting) [shall subject to paragraph 2, below] [may] contain [,inter alia,] the following information:

[(a) Description of national circumstances including, inter alia population, gross domestic product, land area, CO_2 emissions, CO_2 emissions per capita, relevant national laws [, policies] and administrative measures, [including the use of economic instruments];]

[(b) National inventories of [gross and where possible] [net] emissions of [main] greenhouse gases [and sinks] [prepared in accordance with internationally accepted methodologies] [covering all [main] greenhouse gases and greenhouse gas precursors and all sink enhancement and destruction];]

(c) [For developed country Parties,] [and developing country Parties] [measures] [national strategies] [policies] to mitigate and adapt to climate change [including a description of specific actions being taken or to be taken, with respect to each gas in each sector selected for action by the Party];

[(d) Current projections for annual levels of greenhouse gas emissions and sinks over a ten to twenty year planning horizon;]

(e) Measures taken in fulfilment of the [obligations] [specific commitments] under the Convention, [with particular attention to [reductions of emissions, transfer of financial resources and technology] [energy efficiency and conservation, new [and renewable] energy sources,] [mitigating the adverse consequences of climate change] [protection and enhancement of] sinks, [land use and management,] coastal zone management, transportation and industrial processes [and agriculture];]

[(f) Expected changes and trends in [net] emissions of [main] greenhouse gases [and sinks] [including estimates of the [net] effects of its actions on national [net] greenhouse gas emissions] [and sinks] [with particular reference to the achievement of any target established in the Convention];]

[(g) Contributions to the financial and technology transfer mechanism;]

[(h) For developing country Parties, projects for transfer of technology and financial resources to mitigate and adapt to climate change; [[need for and requirements of financial and technology transfer.] [and estimated gross and incremental costs of projects]];]

[(i) Effective measures in fulfilment of obligations and specific commitments relative to the provision of adequate, new and additional financial resources, and access to and transfer of environmentally sound technology on a preferential and non-commercial basis contributions to the financial mechanism of the Convention and description of programmes for technological cooperation;]

[(j) Description of methodologies used in making its estimates;]

[(k) Efforts [,as appropriate,] to coordinate and harmonize measures to avoid trade distortions;]

(l) Relevant national research [and development] and systematic observation programmes and participation in international programmes;

(m) National [programmes] [measures] and international cooperation with regard to education, training and public awareness [and technology transfer];

[(n) Efforts to implement [obligations] [specific commitments] jointly with another Party or Parties;] and

(o) Such other actions as are relevant to the achievement of the objective of the Convention.

[2. Each industrialised country Party agrees to submit a national report including information on all the items listed in paragraph 1. It shall submit the report to the secretariat no later than one year after the date on which the Convention enters into force for it.

Each least developed country Party agrees to submit a national report including information on at least items (a) and (b) of paragraph 1. It shall submit the report to the secretariat no later than two years after the date on which the Convention enters into force for it.

Each other Party agrees to submit a national report including information on all items listed in paragraph 1. It shall submit the report to the secretariat no late than two years after the date on which the Convention enters into force for it.]

[Possible additional text

3. Further, reports may, on a voluntary basis, identify proposed projects in need of investment (including specific technologies, materials, equipment, techniques or practices that would be needed to implement such projects) and an estimate of the costs and net greenhouse gas emission reduction associated therewith.]

Timing

4. Unless otherwise decided by the Conference of the Parties, reports to update the information contained in the first Report shall be submitted [within [two] [five] years of the date of submission of the first Report and biennially thereafter] [in a frequency that will vary in accordance with the level of CO_2 energy-related emissions per capita, and to be decided by the Conference of the Parties]. [Due account shall be taken of the differentiated [obligations] [capabilities and capacities] [capabilities and responsibilities.]

Confidential Information

5. A Party may designate [the following] [any] type[s] of information contained in its report as confidential[.][:]

[Possible alternative chapeau

A Party and the Advisory Committee on Implementation may agree that certain information contained in the report of that Party is confidential. Categories of confidential information include:]

[(a) Information that is directly related to the national defence [and security] of that Party;

[(b) Information that is of a proprietary commercial nature;]

(c) Information the release of which would result [directly] in [significant] economic or commercial dislocation for that Party; or

[(d) Such other information as [the Party believes is confidential] [agreed upon] [thought necessary by the Party] [by the Party and the Advisory Committee on Implementation].]]]

[ANNEX IV

ARBITRATION

Article 1

Unless the Parties to a dispute otherwise agree, the arbitration referred to in Article [VII. 2.] (Alternative B) (Settlement of Disputes) of the Convention shall be conducted in accordance with the procedure set out in articles 2 to 17 below.

Article 2

The claimant Party shall notify the secretariat of the reference of a dispute to arbitration pursuant to Article [VII. 2.] (Alternative B) (Settlement of Disputes) of the Convention. The notification shall state the subject matter of the arbitration and include, in particular, the articles of the Convention or the protocol, the interpretation or application of which is at issue. The secretariat shall forward the information thus received to all Parties to the Convention or to the protocol concerned.

Article 3

1. In disputes between two Parties, the Arbitral Tribunal shall consist of three members. Each of the Parties to the dispute shall appoint an arbitrator within two months of the notification referred to in Article 2 of this Annex and the two arbitrators so appointed shall designate by common agreement the third arbitrator who shall be the chairman of the Tribunal. The latter shall not be a national of one of the Parties to the dispute, nor have his or her usual place of residence in the territory of one of these Parties, nor be employed by any of them, nor have dealt with the case in any other capacity.

2. In disputes between more than two Parties, Parties in the same interest shall appoint one member of the Tribunal jointly by agreement.

3. Any vacancy shall be filled in the manner prescribed for the initial appointment.

Article 4

1. If the chairman of the Arbitral Tribunal has not been designated within two months of the appointment of the second arbitrator, the Secretary General of the United Nations shall, at the request of either Party, designate the chair within a further two months' period.

2. If one of the Parties to the dispute does not appoint an arbitrator within two months of receipt of the notification referred to in article 2 of this Annex the other Party may inform the Secretary-General of the United Nations, who shall designate the other arbitrator within a further two months' period.

Article 5

The Arbitral Tribunal shall render its decision in accordance with international law, as well as the provisions of this Convention and any protocols concerned.

Article 6

Unless the Parties to the dispute otherwise agree, the Arbitral Tribunal shall determine its own procedure, ensuring that each Party has a full opportunity to be heard and to present its case.

Article 7

The Parties to the dispute shall facilitate the work of the Arbitral Tribunal and, in particular, using all means at their disposal, shall:

a) provide it with all relevant documents, facilities and information; and
b) enable it when necessary to call witnesses or experts and receive their evidence.

Article 8

The Parties and the arbitrators are under an obligation to protect the confidentiality of any information they receive in confidence during the proceedings of the Arbitral Tribunal.

Article 9

Unless the Arbitral Tribunal determines otherwise because of the particular circumstances of the case, the costs of the Tribunal shall be borne by the Parties to the dispute in equal shares. The Tribunal shall keep a record of all the costs, and shall furnish a final statement thereof to the Parties.

Article 10

Any Party to the Convention or, as the case may be, to a protocol thereto, that has an interest of a legal nature in the subject matter of the dispute that may be affected by the decision in the case, may intervene in the proceedings with the consent of the Tribunal.

Article 11

The Tribunal may hear and determine counterclaims arising directly out of the subject matter of the dispute.

Article 12

Decisions both on procedure and substance of the Arbitral Tribunal shall be taken by a majority vote of its members.

Article 13

If one of the Parties to the dispute does not appear before the Arbitral Tribunal or fails to defend its case, the other Party may request the Tribunal to continue the proceedings and to render its final decision. Absence of a Party or failure of a Party to defend its case shall not constitute a bar to the proceedings. Before rendering its final decision, the Arbitral Tribunal must satisfy itself that the claim is well founded in fact and law.

Article 14

The Tribunal shall render its final decision within five months of the date on which it is fully constituted unless it finds it necessary to extend the time limit for a period which shall not exceed a further five months.

Article 15

The final decision of the Arbitral Tribunal shall be confined to the subject matter of the dispute and shall state the reasons on which it is based. It shall contain the names of the members who have participated and the date of the final decision. Any members of the Tribunal may attach a separate or dissenting opinion to the final decision.

Article 16

The final decision shall be binding on the Parties to the dispute and without appeal unless the Parties to the dispute have agreed in advance to an appellate procedure. It shall be complied with by the Parties to the dispute.

Article 17

Any controversy that may arise between the Parties to the dispute as regards the interpretation or manner of implementation of the final decision may be submitted by either Party for decision to the Arbitral Tribunal which rendered it.]

[ANNEX V

INSURANCE MECHANISM

1. The Parties recognize that:

(a) There should be established, as an integral part of the Convention, an International Climate Fund to finance measures to counter the adverse consequences of climate change, and a separate International Insurance Pool (hereinafter referred to as "the Pool") to provide financial insurance against the consequences of sea level rise;

(b) Revenue for the Pool should be drawn from mandatory sources, in particular developed country assessments;

(c) The financial resources of the Pool should be new, additional and adequate;

(d) The Pool should be under the control and direction of the Conference of the Parties; and

(e) The resources of the Pool should be used to compensate the most vulnerable small island and low-lying coastal developing countries for loss and damage resulting from sea level rise.

2. The Parties further recognize that the formulation of a scheme for a Pool involves consideration of the following main questions:

- Methods of funding a Pool;

- Classification of the types of loss to be covered by the Pool;

- Criteria for establishing entitlement to claim against the Pool;

- Methods of evaluating loss resulting from sea level rise; and

- Limitations on the amount of compensation payable by the Pool.

3. The Parties accordingly agree as follows:

(a) The financial burden of loss and damage suffered by the most vulnerable small island and low-lying developing countries (hereinafter referred to as "Group 1 countries") as a result of sea level rise shall be distributed in an equitable manner amongst the industrialized developed countries (hereinafter referred to as "Group 2 countries") by means of a Pool;

(b) The Pool shall be funded by contributions levied on Group 2 countries;

(c) The administrating authority for the scheme (hereinafter referred to as "the Authority") shall be a body controlled on an equitable basis by the Group 1 and Group 2 countries within the framework of the Conference of the Parties;

(d) The contributions referred to in paragraph (b) shall be calculated according to a formula modelled on the 1963 Brussels Supplementary Convention on Third Party Liability in the Field of Nuclear Energy, as follows:

(i) as to 50%, on the basis of the ratio between the gross national product at current prices of each Group 2 country and the total of the gross national products of all Group 2 countries in the year prior to the year in which the contribution was levied (hereinafter referred to as "the contribution year");

(ii) as to 50%, on the basis of the ratio between the total emissions of CO_2 of each Group 2 country and the total CO_2 emissions of all Group 2 countries in the year prior to the contribution year;

(e) Ten years from the date on which the Convention enters into force the Group 2 countries shall contribute to the Pool an agreed percentage of the total of the gross national products of all Group 2 countries in the year prior to the contribution year, apportioned as in paragraph (d), provided that over the ten year period the rate of global mean sea level rise will have reached an agreed figure. If the rate of global mean sea level rise has not reached the agreed figure by the end of the ten year period, a review shall thereafter be carried out at five-yearly intervals and the obligation of the Group 2 countries to contribute to the Pool will not arise until the year following the review in which it is established to the satisfaction of the Authority that the rate of global mean sea level rise has reached the agreed figure or that absolute global mean sea level rise has reached an agreed figure;

(f) The insurance fund so constituted shall be invested by the Authority in interest bearing securities as determined by the Conference of the Parties;

(g) No right to claim against the Pool in respect of loss or damage in any area of a Group 1 country shall arise until:

(i) it shall have been established to the satisfaction of the Authority that the rate of global mean sea level rise and the absolute level of global mean sea level rise has reached agreed figures;

(ii) it shall have been established to the satisfaction of the Authority that the relative mean sea level rise for any insured area in a Group 1 country has reached an agreed level above base levels determined for each area insured (such relative mean sea level figures having been determined within ten years of the Convention coming into force); and

(iii) one year shall have elapsed from the date upon which the figures referred to in sub-paragraph (i) shall have been established as having been reached (that date plus one year being (hereinafter referred to as "the inception date").

(h) In the first instance those areas of Group 1 countries which would be directly affected by sea level rise to a level of an agreed number of centimetres above the base levels referred to in paragraph (g) (ii) shall be valued for insurance. Marketed assets shall be valued on the basis of gross domestic product for the insured area in question. Non-marketed interests shall be valued on the basis of formulae to be agreed;

(i) The insured values covered shall be negotiated between the Authority and the Government of each Group 1 country in accordance with valuation principles to be agreed. The same policy conditions shall be applicable to all Group 1 countries;

(j) All assets and interests intended to be insured under the scheme shall be listed by Group 1 countries for registration with the Authority. Records of assets and interests registered shall be kept up to date. Valuations of assets and interests registered for insurance shall be carried out in accordance with the agreed formulae and shall be assessed as soon as possible after the setting up of the Authority and in any event within ten years of the Convention coming into force. Revaluations shall be carried out periodically as appropriate;

(k) The first period of insurance shall commence on the inception date as defined in paragraph (g) (iii) and shall cover an agreed period following the inception date. Loss or damage occurring within the first and each following period of insurance, if accepted as a valid claim by the Authority, shall be paid out of the Pool as accumulated at the closing date of the period of insurance;

(l) If the funds in the Pool are insufficient to meet all valid claims, the claims shall be paid out on an equitable basis. If, after payment out of all valid claims in full, any surplus shall remain in the Pool, the surplus shall be carried over to the credit of the following insurance period;

(m) Prior to the closing date of the first period of insurance and of each subsequent period, the Conference of the Parties shall, after consultation with the Authority:

(i) Fix the length of the next period of insurance;

(ii) Estimate the probable extent of claims on the Pool during the next insurance period;

(iii) Determine the level of contributions to be levied on Group 2 countries sufficient to meet the estimated claims, after taking account of any surplus carried forward from the preceding period.

(n) Claims against the Pool in respect of insured assets and interests shall be dealt with by the Authority. The Authority shall investigate the cause of any claimed loss, prepare estimates, determine whether the claim comes within the terms of the insurance, evaluate the extent of loss and assess the amount of the claim recoverable by reference to the insured value of the asset or interest and any applicable limits;

(o) All assets in insured areas of Group 1 countries, whether commercially insured or not, shall in the first instance be valued for insurance, but no claims shall be accepted by the Pool in respect of property which at the time loss or damage occurs is insured commercially, whether by a private insurance company or otherwise;

(p) In assessing claims against the Pool, the Authority shall determine whether the loss or damage claimed could have been avoided or mitigated by measures which might reasonably have been taken at an earlier stage. In determining whether measures could or could not reasonably have been taken at an earlier stage, account shall be taken, amongst other things, of the availability of funds, both domestic and international, which would have enabled mitigating or preventative measures to have been taken, and the availability of commercial insurance on reasonable terms; and

(q) If differences of opinion arise between the Authority and the participating countries, every effort shall be made to negotiate a resolution, but if this is not achievable disputes shall be submitted to [an] [the] arbitration tribunal under [a special arbitration scheme] [the Convention].]